3289 intended to be proposed to S. 1541, a bill to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes.

## SENATE RESOLUTION 224—TO DESIGNATE SEPTEMBER 23, 1996, AS ''NATIONAL BASEBALL HERITAGE DAY''

Mr. D'AMATO (for himself and Mr. MOYNIHAN) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 224

Whereas it is universally accepted that the idea of baseball was created by Abner Doubleday in 1839 in Cooperstown, NY when Doubleday attempted to chase cows out of Elihu Phinney's cow pasture;

Whereas, New Yorkers in Manhattan in 1842 witnessed the birth of modern day baseball when 'a number of gentlemen . . . casually assembled on a plot of ground in Twenty-seventh street . . . to play ball'' according to Charles A. Peverelly in ''The Book of American Pastimes;''

Whereas, these men, led by Alexander Joy Cartwright, Jr. created the set of rules to transform a childhood game into the game of baseball and to provide a model for future early clubs;

Whereas, these men played the game because of sheer enjoyment and casually called themselves the ''New York Baseball Club'';

Whereas, Harold Peterson, in ''The Man Who Invented Baseball,'' notes that on the historic day of September 23, 1845, these men, now numbering more than forty, formally organized themselves into the first ever organized baseball club known as the ''Knickerbocker Baseball Club'';

Whereas, the Knickerbockers dedicated their efforts to the creation of regular games on the Twenty-seventh street field so they could play their new game.

Whereas, others noticed the games of the Knickerbockers and created teams of their own for inter-club play with Alexander Joy Cartwright, Jr. and the Knickerbockers, according to Cartwright's ''Rules of Play'';

Whereas, baseball has grown into America's national pastime and ingratiated itself into the collective heart of America;

Whereas, America has cherished baseball and fallen in love with baseball heroes like Mickey Mantle, Jackie Robinson, Willie Mays, and Babe Ruth;

Whereas, baseball has given Americans common and shared experience, as well as provide a bond between generations;

Whereas, parents and children enjoy baseball together throughout the countless generations.

Whereas, baseball has become as much a part of the United States as the hot dogs sold at the games;

Whereas, baseball has become a part of our national character,

Whereas, the designation of ''National Baseball Heritage Day'' will provide Americans with chance to celebrate the history of the game and reflect on how much it has affected our collective lives and national identity: Now, therefore, be it

*Resolved*, That the Senate, in recognition of the essential role that baseball has played in the history of the United States and our individual lives, designate September 23, 1996 as ''National Baseball Heritage Day''. The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such a day with appropriate ceremonies and activities.

● Mr. D'AMATO. Mr. President, when asked to describe an image of baseball, the near unanimous and immediate picture painted would be of a warm summer night sitting in the bleachers with your kids, enjoying a hot dog or some peanuts, and rooting for the home team. Similarly when asked about the origins of baseball, fans from the youngest to the oldest will tell you that baseball originates in New York. It is that heritage that I wish to memorialize in legislation that I am submitting today. I am proud to submit the resolution with my friend and colleague, New York's senior Senator, DANIEL PATRICK MOYNIHAN.

On a lazy afternoon in 1839, a young man from Cooperstown, Abner Doubleday, chased the cows out of Elihu Phinney's pasture and was struck with the inspiration to invent a game that we now know as baseball. In true recognition of Cooperstown's place in history, the National Baseball Hall of Fame is located there.

Today, Cooperstown is the mecca for all baseball fans where, in the Hall of Fame, they can see the unfolding of baseball from its early beginnings to its great modern era. Within the National Baseball Hall of Fame outstanding players such as Babe Ruth, Lou Gherig, Cy Young, Ty Cobb, Joe DiMaggio, and Jackie Robinson are immortalized. In addition to plaques celebrating the achievements of baseball's greats, Cooperstown has the largest collection of game-winning baseballs, record-breaking bats, and paraphernalia chronicling achievements and activities of all kinds in relation to the game of baseball and baseball's impact on American society.

Shortly after Doubleday's inspiration, a group of gentlemen, led by Alexander Joy Cartwright, Jr., was meeting in fields all over Manhattan in New York City, playing baseball according to rules laid out by Cartwright. These men began playing baseball as early as 1842 in a small plot of ground on Twenty-seventh Street—a spot now occupied by the Harlem Railroad depot. Cartwright and his friends were forced to play at three different locations on Manhattan in order to escape the encroachment of a growing New York City. On September 23, 1845, they finally formally organized themselves into a baseball club known as the Knickerbockers Base Ball Club.

Efforts have been attempted in the past to lay claim to Cooperstown's, and indeed New York's place in baseball history. Such efforts continue to this day. But as every little-leaguer knows, New York will always be the true home of baseball. Also, as any baseball history buff knows, New York City is home to our nation's earliest organized baseball team. Baseball fans everywhere will not be fooled by those who would claim otherwise.

Therefore, to make sure that all Americans know the rightful role New York holds in the birth of baseball, we are introducing a resolution calling for congressional recognition of this distinction. It is my hope that with the Senate's passage of this resolution, we may once and for all dispel all contrary claims to baseball's heritage. We encourage all true fans of baseball in the Senate to join in cosponsoring this resolution.●

## AMENDMENTS SUBMITTED

## THE AGRICULTURAL MARKET TRANSITION ACT OF 1996

### GRAMS AMENDMENT NO. 3316

(Ordered to lie on the table.)

Mr. GRAMS submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill (S. 1541) to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes; as follows:

S. 1541

Beginning on page 1–73, strike line 12 and all that follows through page 1–75, line 7, and insert the following:

**SEC. 108. MILK PROGRAM.**

(a) TERMINATION OF MILK MARKETING ORDERS.—Section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking subsection (5) and (18).

(b) PROHIBITION OF SUBSEQUENT ORDERS REGARDING MILK.—Section 8c(2) of the Agricultural Adjustment Act (7 U.S.C. 608c(2)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) in paragraph (A), by striking ''Milk, fruits'' and inserting ''Fruits''; and

(2) in paragraph (B), by inserting ''milk,'' after ''honey,''.

(c) CONFORMING AMENDMENTS.—

(1) Section 2(3) of the Agricultural Adjustment Act (7 U.S.C. 602(3)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking '', other than milk and its products,''.

(2) Section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(A) in subsection (6), by striking '', other than milk and its products,'';

(B) in subsection (7)(B), by striking ''(except for milk and cream to be sold for consumption in fluid form)'';

(C) in subsection (11)(B), by striking ''Except in the case of milk and its products, orders'' and inserting ''Orders'';

(D) in subsection (13)(A), by striking '', except to a retailer in his capacity as a retailer of milk and its products''; and

(E) in the first sentence of subsection (17), by striking ''; *Provided further,*'' and all that follows through ''to such order''.

(3) Section 8d(2) of the Agricultural Adjustment Act (7 U.S.C. 608d(2)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking the second sentence.

(4) Section 10(b)(2) of the Agricultural Adjustment Act (7 U.S.C. 610(b)(2)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(A) by striking clause (i);

(B) by redesignating clauses (ii) and (iii) as clauses (i) and (ii) respectively; and

(C) in the first sentence of clause (i) (as so redesignated), by striking ''other commodity'' and inserting ''commodity''.

(5) Section 11 of the Agricultural Adjustment Act (7 U.S.C. 611), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking ''peanuts, and milk, and its products,'' and inserting ''and peanuts,''.

(6) Section 715 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1994 (Public Law 103–111, 107 Stat. 1079; 7 U.S.C. 608d note), is amended by striking ''amended: *Provided further,*'' and all that follows through ''handlers'' and inserting ''amended''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on December 31, 1998.

## BUMPERS (AND PRYOR) AMENDMENT NO. 3317

(Ordered to lie on the table.)

Mr. BUMPERS (for himself and Mr. PRYOR) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place in the bill, add the following: ''Notwithstanding any other provision of this Act, any program authorized to be administered by the Secretary of Agriculture on January 1, 1995, modified by this Act, shall be deemed authorized under the same terms and conditions as existed on January 1, 1995, until December 31, 1996, unless other terms and conditions are subsequently established by law.''

## MURRAY AMENDMENTS NOS. 3318–3319

(Ordered to lie on the table.)

Mrs. MURRAY submitted two amendments intended to be proposed by her to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3318

On page 1–21, line 17, strike ''$2.58'' and insert ''$2.82''.

AMENDMENT NO. 3319

Beginning on page 3–2, strike line 1 and all that follows through page 3–5, line 23, and insert the following:

**''SEC. 1230. ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM.**

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—During the 1996 through 2002 calendar years, the Secretary shall establish an environmental conservation acreage reserve program (referred to in this section as 'ECARP') to be implemented through contracts and the acquisition of easements to assist owners and operators of farms and ranches to conserve and enhance soil, water, air, and related natural resources, including grazing land, wetland, and wildlife habitat.

''(2) MEANS.—The Secretary shall carry out the ECARP by—

''(A) providing for the long-term protection of environmentally sensitive land; and

''(B) providing technical and financial assistance to farmers and ranchers to—

''(i) improve the management and operation of the farms and ranches; and

''(ii) reconcile productivity and profitability with protection and enhancement of the environment.

''(3) PROGRAMS.—The ECARP shall consist of—

''(A) the conservation reserve program established under subchapter B;

''(B) the wetlands reserve program established under subchapter C; and

''(C) the environmental quality incentives program established under chapter 4.

''(b) ADMINISTRATION.—

''(1) IN GENERAL.—In carrying out the ECARP, the Secretary shall enter into contracts with owners and operators and acquire interests in land through easements from owners, as provided in this chapter and chapter 4.

''(2) PRIOR ENROLLMENTS.—Acreage enrolled in the conservation reserve or wetlands reserve program prior to the effective date of this paragraph shall be considered to be placed into the ECARP.

''(c) CONSERVATION PRIORITY AREAS.—

''(1) DESIGNATION.—

''(A) IN GENERAL.—The Secretary shall designate watersheds or regions of special environmental sensitivity, including the Chesapeake Bay Region (consisting of Pennsylvania, Maryland, and Virginia), the Great Lakes Region, and the Long Island Sound Region, as conservation priority areas that are eligible for enhanced assistance through the programs established under the chapter and chapter 4.

''(B) APPLICATION.—A designation shall be made under this paragraph if agricultural practices on land within the watershed or region pose a significant threat to soil, water, air, and related natural resources, as determined by the Secretary, and an application is made by—

''(i) a State agency in consultation with the State technical committee established under section 1261; or

''(ii) State agencies from several States that agree to form an interstate conservation priority area.

''(C) ASSISTANCE.—The Secretary shall designate a watershed or region of special environmental sensitivity as a conservation priority area to assist, to the maximum extent practicable, agricultural producers within the watershed or region to comply with nonpoint source pollution and other requirements under the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), the Clean Air Act (42 U.S.C. 7401 et seq.), and other Federal and State environmental laws.

''(2) APPLICABILITY.—The Secretary shall designate a watershed or region of special environmental sensitivity as a conservation priority area in a manner that conforms, to the maximum extent practicable, to the functions and purposes of the conservation reserve, wetlands reserve, and environmental quality incentives programs, as applicable, if participation in the program or programs is likely to result in the resolution or amelioration of significant soil, water, air, and related natural resource problems related to agricultural production activities within the watershed or region.

''(3) TERMINATION.—A conservation priority area designation shall terminate on the date that is 5 years after the date of the designation, except that the Secretary may—

''(A) redesignate the area as a conservation priority area; or

''(B) withdraw the designation of a watershed or region if the Secretary determines the area in no longer affected by significant soil, water, air, and related natural resource impacts related to agricultural production activities.''.

## WELLSTONE AMENDMENTS NOS. 3320–3323

(Ordered to lie on the table.)

Mr. WELLSTONE submitted four amendments intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3320

At the appropriate place insert the following:

**''SEC. . ADJUSTMENT TO LOAN RATE CAPS.**

''(a) ATTRIBUTION.—Notwithstanding any other provision of this Act and notwithstanding the provisions of sections 1001 and 1001A of the Food Security Act of 1985 (7 U.S.C. 1308 and 1308–1) in the case of the 1996 through 2002 contract acres of wheat, feed grains, upland cotton, rice, and oilseeds, the Secretary shall attribute payments specified in section 1001 of that Act to persons who receive the payments directly, and attribute payments received by entities to the individuals who own such entities in proportion to their ownership interest in the entity.''

''(b) ADJUSTMENTS IN CONTRACT ACCOUNTS AND LOAN RATE CAPS.—For the crops after the Secretary has implemented subsection (a), the Secretary shall—

''(1) notwithstanding the provisions of this title, reduce the Contract Payment Account provided in section 103 for each fiscal year by $140,000,000; and

''(2) increase the loan rate caps in section 104 as follows:

''(A) $2.75 per bushel for wheat;

''(B) $2.00 per bushel for corn;

''(C) $0.54 per pound for upland cotton;

''(D) $6.60 per hundredweight for rice;

''(E) $5.10 per bushel for soybeans; and

''(F) $.10 per pound for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed.''

AMENDMENT NO. 3321

At the appropriate place insert the following:

**''SEC. . VALUE-ADDED PROCESSING AND MARKETING.**

''(a) ATTRIBUTION.—Notwithstanding any other provision of this Act and notwithstanding the provisions of sections 1001 and 1001A of the Food Security Act of 1985 (7 U.S.C. 1308 and 1308–1) in the case of the 1996 through 2002 contracts acres of wheat and feed grains, the Secretary shall attribute payments specified in section 1001 of that Act to persons who receive the payments directly, and attribute payments received by entities to the individuals who own such entities in proportion to their ownership interest in the entity.

''(b) ADJUSTMENTS IN CONTRACT ACCOUNTS AND LOAN GUARANTEE AND GRANT AUTHORITY.—For the crops after the Secretary has implemented subsection (a), the Secretary shall—

''(1) notwithstanding the provisions of this title, reduce the Contract Payment for what and feed grains provided in section 103 for each fiscal year by the amount estimated by the Secretary not paid to farmers as a result of subsection (a); and

''(2) use such savings generated in paragraph (1) to carry out a program to issue guarantee against the risk of nonpayment arising out of loans taken out by small and moderate-size agricultural producers in wheat and feed-grain regions to finance the purchase of stock of membership capital in cooperative associations engaged in value-added, food or industrial-use processing of agricultural commodities, and to issue grants to provide financial and technical assistance for agricultural diversification, marketing, processing and production strategies by small and moderate-size farmers to add value to farm products and increase self-employment opportunities.''

AMENDMENT NO. 3322

Amend title I by adding to the end the following:

**"SEC. 112. ADJUSTMENT TO LOAN RATE CAPS.**

''(a) ATTRIBUTION.—Notwithstanding the provisions of sections 1001 and 1001A of the Food Security Act of 1985 (7 U.S.C. 1308 and 1308–1) in the case of the 1996 through 2002 contract acres of wheat, feed grains, upland cotton, rice, and oilseeds, the Secretary shall attribute payments specified in section 1001 of that Act to persons who receive the payments directly, and attribute payments received by entities to the individuals who own such entities in proportion to their ownership interest in the entity.

''(b) ADJUSTMENTS IN CONTRACT ACCOUNTS AND LOAN RATE CAPS.—For the crops after the Secretary has implemented subsection (a), the Secretary shall—

''(1) notwithstanding the provisions of this title, reduce the Contract Payment Account provided in section 103 for each fiscal year by $140,000,000; and

''(2) increase the loan rate caps in section 104 as follows:

''(A) $2.75 per bushel for wheat;

''(B) $2.00 per bushel for corn;

''(C) $0.54 per pound for upland cotton;

''(D) $6.60 per hundredweight for rice;

''(E) $5.10 per bushel for soybeans; and

''(F) $.10 per bushel for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed.''

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AMENDMENT NO. 3323

Amend title I by adding to the end the following:

**"SEC. 112. VALUE-ADDED PROCESSING AND MARKETING.**

''(a) ATTRIBUTION.—Notwithstanding the provisions of sections 1001 and 1001A of the Food Security Act of 1985 (7 U.S.C. 1308 and 1308–1) in the case of the 1996 through 2002 contract acres of wheat and feed grains, the Secretary shall attribute payments specified in section 1001 of that Act to persons who receive the payments directly, and attribute payments received by entities to the individuals who own such entities in proportion to their ownership interest in the entity.

''(b) ADJUSTMENTS IN CONTRACT ACCOUNTS AND LOAN GUARANTEE AND GRANT AUTHORITY.—For the crops after the Secretary has implemented subsection (a), the Secretary shall—

''(1) notwithstanding the provisions of this title, reduce the Contract Payment for wheat and feed grains provided in section 103 for each fiscal year by the amount estimated by the Secretary not paid to farmers as a result of subsection (a); and

''(2) use such savings generated in paragraph (1) to carry out a program to issue guarantee against the risk of nonpayment arising out of loans taken out by small and moderate-size agricultural producers in wheat and feed-grain regions to finance the purchase of stock or membership capital in cooperative associations engaged in value-added, food or industrial-use processing of agricultural commodities, and to issue grants to provide financial and technical assistance for agricultural diversification, marketing, processing and production strategies by small and moderate-size farmers to add value to farm products and increase self-employment opportunities.''

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FEINGOLD AMENDMENT NO. 3324

(Ordered to lie on the table.)

Mr. FEINGOLD submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place insert the following:

**SEC. . RURAL COMMUNITY TOURISM PROVISIONS.**

(a) PURPOSE.—The purpose of this section is to amend the Consolidated Farm and Rural Development Act to require the Secretary of Agriculture to clarify that tourist and other recreational businesses located in rural communities are eligible for loans under the Business and Industry (B&I) Loan Guarantee Program.

(b) LOANS FOR TOURISM IN RURAL COMMUNITIES.—The first sentence of section 310B(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)) is amended—

(1) by striking ''and (3)'' and inserting ''(3)''; and

''(2) by inserting before the period at the end the following: '', and (4) promoting the planning, development, or financing of tourist or recreational businesses located in rural communities''.

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FEINGOLD AMENDMENT NO. 3325

(Ordered to lie on the table.)

Mr. FEINGOLD submitted an amendment intended to be proposed by him to amendment No. 3247 submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike the provision relating to the Northeast Interstate Dairy Compact.

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KOHL AMENDMENT NO. 3326

(Ordered to lie on the table.)

Mr. KOHL submitted an amendment intended to be proposed by him to amendment No. 3252 submitted by Mr. LUGAR to the bill S. 1541, supra; as follows:

On page 2–64, lines 18 and 19, strike ''Australian Wheat Board and Canadian Wheat Board'' and insert ''Australian Wheat Board, Canadian Wheat Board, and New Zealand Dairy Board''.

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KOHL (AND FEINGOLD) AMENDMENT NO. 3327

(Ordered to lie on the table.)

Mr. KOHL (for himself and Mr. FEINGOLD) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following:

**SEC. . DAIRY VOTING REFORM.**

Section 113(b) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(b)) is amended—

(1) by designating the first and second sentences as paragraphs (1) and (2), respectively;

(2) by designating the third through fifth sentences as paragraph (3);

(3) by designating the sixth sentence as paragraph (4);

(4) by designating the seventh and eighth sentences as paragraph (5);

(5) by designating the ninth sentence as paragraph (6);

(6) in paragraph (1) (as so designated), by striking ''and appointment'';

(7) by striking paragraph (2) (as so designated) and inserting the following:

''(2)(A)(i) Subject to clause (ii), members of the Board shall be milk producers nominated in accordance with subparagraph (B) and elected by a vote of producers through a process established by the Secretary.

''(ii) In carrying out clause (i), the Secretary shall not permit an organization certified under section 114 to vote on behalf of the members of the organization.

''(B) Nominations shall be submitted by organizations certified under section 114, or, if the Secretary determines that a substantial number of milk producers are not members of, or the interests of the producers are not represented by, a certified organization, from nominations submitted by the producers in the manner authorized by the Secretary. In submitting nominations, each certified organization shall demonstrate to the satisfaction of the Secretary that the milk producers who are members of the organization have been fully consulted in the nomination process.'';

(8) in the first sentence of paragraph (3) (as so designated), by striking ''In making such appointments,'' and inserting ''In establishing the process for the election of members of the Board,''; and

(9) in paragraph (4) (as so designated)—

(A) by striking ''appointment'' and inserting ''election''; and

(B) by striking ''appointments'' and inserting ''elections''.

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KOHL (AND FEINGOLD) AMENDMENT NO. 3328

(Ordered to lie on the table.)

Mr. KOHL (for himself and Mr. FEINGOLD) submitted an amendment intended to be proposed by them to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following:

**SEC. . DAIRY VOTING REFORM.**

Section 113(b) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(b)) is amended—

(1) by designating the first and second sentences as paragraphs (1) and (2), respectively;

(2) by designating the third through fifth sentences as paragraph (3);

(3) by designating the sixth sentence as paragraph (4);

(4) by designating the seventh and eighth sentences as paragraph (5);

(5) by designating the ninth sentence as paragraph (6);

(6) in paragraph (1) (as so designated), by striking ''and appointment'';

(7) by striking paragraph (2) (as so designated) and inserting the following:

''(2)(A)(i) Subject to clause (ii), members of the Board shall be milk producers nominated in accordance with subparagraph (B) and elected by a vote of producers through a process established by the Secretary.

''(ii) In carrying out clause (i), the Secretary shall not permit an organization certified under section 114 to vote on behalf of the members of the organization.

''(B) Nominations shall be submitted by organizations certified under section 114, of, if the Secretary determines that a substantial number of milk producers are not members of, or the interests of the producers are not represented by, a certified organization, from nominations submitted by the producers in the manner authorized by the Secretary. In submitting nominations, each certified organization shall demonstrate to the satisfaction of the Secretary that the milk producers who are members of the organization have been fully consulted in the nomination process.'';

(8) in the first sentence of paragraph (3) (as so designated), by striking ''In making such appointments,'' and inserting ''In establishing the process for the election of members of the Board,''; and

(9) in paragraph (4) (as so designated)—

(A) by striking ''appointment'' and inserting ''election''; and

(B) by striking ''appointments'' and inserting ''elections''.

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## KOHL (AND OTHERS) AMENDMENT NO. 3329

(Ordered to lie on the table.)

Mr. KOHL (for himself, Mr. FEINGOLD, Mr. WELLSTONE, Mr. GRAMS, Mr. PRESSLER, and Mr. LAUTENBERG) submitted an amendment intended to be proposed by them to amendment No. 3247 submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike section 108(f) of the amendment.

## KOHL (AND OTHERS) AMENDMENT NO. 3330

(Ordered to lie on the table.)

Mr. KOHL (for himself, Mr. FEINGOLD, Mr. WELLSTONE, Mr. GRAMS, Mr. PRESSLER, and Mr. LAUTENBERG) submitted an amendment intended to be proposed by them to amendment No. 3184 submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

Beginning on page 1–73, strike line 12 and all that follows through page 1–75, line 7.

## KOHL (AND FEINGOLD) AMENDMENT NO. 3331

(Ordered to lie on the table.)

Mr. KOHL (for himself and Mr. FEINGOLD) submitted an amendment intended to be proposed by them to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following:

''Notwithstanding any other provision of this Act, the following conditions shall apply to the reform of the Federal milk marketing orders as conducted by the Secretary:

**''SEC. . CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—**

''(1) AMENDMENT TO ORDERS.—Within two years after the date of enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

''(A) limit the number of Federal milk marketing orders to between 10 and 14 orders;

''(B) provide for multiple basing points for the pricing of milk;

''(C) provide for the reduction by 50 percent of the price difference between the highest and lowest price differentials for Class I milk in effect at the time of enactment of this Act; and

''(D) provide for the implementation of uniform multiple component for milk used in manufactured dairy products.

''(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

''(A) announced not later than (1) year following the date of enactment of this Act; and

''(B) implemented not later than 2 years following the date of enactment of this Act.

''(3) EFFECT OF FAILURE TO COMPLY WITH REFORM PROCESS REQUIREMENTS

''(A) FAILURE TO TIMELY ISSUE OR AMEND ORDERS.—If, before the end of the 1-year period beginning on the date of the enactment of this Act, the Secretary does not issue new or amended Federal milk marketing orders under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to effectuate the requirements of this section, then the Secretary may not assess or collect assessments from milk producers or handlers under such section 8c for marketing order administration and services provided under such section after the end of that period. The Secretary may not reduce the level of services provided under such section on account of the prohibition against assessments, but shall rather cover the cost of marketing order administration and services through funds available for the Agricultural Marketing Service of the Department of Agriculture.

''(B) FAILURE TO TIMELY IMPLEMENT ORDERS.—Unless the Secretary certifies to Congress before the end of the 2-year period beginning on the date of the enactment of this Act that all of the Federal marketing order reforms required by this section have been fully implemented, then effective at the end of that period—

''(i) the Secretary shall immediately cease all milk price support activities under this Act;

''(ii) the Secretary shall immediately terminate all Federal milk marketing orders under section c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, and may not issue any further order under such Act with respect to milk;

''(iii) the Secretary and the National Processor Advertising and Promotion Board shall immediately cease all activities under the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6401 et seq.); and

''(iv) the Secretary and the National Dairy Promotion and Research Board shall immediately cease all activities under the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4501 et seq.).''

## KOHL (AND FEINGOLD) AMENDMENT NO. 3332

(Ordered to lie on the table.)

Mr. KOHL (for himself and Mr. FEINGOLD) submitted an amendment intended to be proposed by them to amendment No. 3247 submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

Beginning of page 4 of the amendment, strike line 16 and all that follows through page 5, line 14, and insert the following:

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT TO ORDERS.—Within two years after the date of enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1037, to—

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

(B) provide for multiple basing points for the pricing of milk;

(C) provide for the reduction by 50 percent of the price difference between the highest and lowest price differentials for Class I milk in effect at the time of enactment of this Act; and

(D) provide for the implementation of uniform multiple component for milk used in manufactured dairy products.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than (1) year following the date of enactment of this Act; and

(B) implemented not later 2 years following the date of enactment of this Act.

(3) EFFECT OF FAILURE TO COMPLY WITH REFORM PROCESS REQUIREMENTS

(A) FAILURE TO TIMELY ISSUE OR AMEND ORDERS.—If, before the end of the 1-year period beginning on the date of the enactment of this Act, the Secretary does not issue new or amended Federal milk marketing orders under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to effectuate the requirements of 108(b), then the Secretary may not assess or collect assessments from milk producers or handlers under such section 8c for marketing order administration and services provided under such section after the end of that period. The Secretary may not reduce the level of services provided under such section on account of the prohibition against assessments, but shall rather cover the cost of marketing order administration and services through funds available for the Agricultural Marketing Service of the Department of Agriculture.

(B) FAILURE TO TIMELY IMPLEMENT ORDERS.—Unless the Secretary certifies to Congress before the end of the 2-year period beginning on the date of the enactment of this Act that all of the Federal marketing order reforms required by section 108(b) have been fully implemented, then effective at the end of that period—

(i) the Secretary shall immediately cease all price support activities under section 108(a);

(ii) the Secretary shall immediately terminate all Federal milk marketing orders under section c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, and may not issue any further order under such Act with respect to milk;

(iii) the Secretary and the National Processor Advertising and Promotion Board shall immediately cease all activities under the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6401 et seq.); and

(iv) the Secretary and the National Dairy Promotion and Research Board shall immediately cease all activities under the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4501 et seq.).

## KERREY (AND EXON) AMENDMENT NO. 3333

(Ordered to lie on the table.)

Mr. KERREY (for himself and Mr. EXON) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 3–46, strike lines 6 through 14 and insert the following:

**SEC. 353. STATE TECHNICAL COMMITTEES.**

Subtitle G of title XII of the Food Security Act of 1985 (16 U.S.C. 3861 et seq.) is amended to read as follows:

''Subtitle G—State Technical Committees

**''SEC. 1261. ESTABLISHMENT.**

''(a) IN GENERAL.—The Secretary shall establish in each State a State technical committee to assist the Secretary in the technical considerations relating to implementation of the conservation provisions under this title.

''(b) COORDINATION.—Each State technical committee shall be coordinated by the State Conservationist of the Natural Resources Conservation Service.

''(c) COMPOSITION.—Each technical committee shall be composed of persons with relevant expertise that represent a variety of disciplines in the soil, water, wetland, and wildlife and social sciences, including representatives of—

''(1) the Natural Resources Conservation Service;

''(2) the Farm Service Agency;

''(3) the Forest Service;

''(4) the Cooperative State Research, Education and Extension Service;

''(5) the Office of Rural Economic and Community Development;

''(6) the United States Fish and Wildlife Service;

''(7) the Environmental Protection Agency;

''(8) the United States Geological Service;

''(9) State departments and agencies that the Secretary considers appropriate, including—

''(A) the State fish and wildlife agency;

''(B) the State forester or equivalent State official;

''(C) the State water resources agency;

''(D) the State department of agriculture; and

''(E) the State association of soil and water conservation districts, or natural resources districts;

''(10) agricultural producers utilizing a range of conservation farming systems and practices;

''(11) other nonprofit organizations with demonstrable expertise;

''(12) persons knowledgeable about the economic and environmental impact of conservation techniques and programs; and

''(13) agribusiness.

**''SEC. 1262. RESPONSIBILITIES.**

''(a) IN GENERAL.—

''(1) MEETINGS.—Each State technical committee shall meet regularly to provide information, analysis, and recommendations to the Secretary regarding implementation of conservation provisions and programs.

''(2) MANNER.—The information, analysis, and recommendations shall be provided in a manner that will assist the Department of Agriculture in determining conservation priorities for the State and matters of fact, technical merit, or scientific question.

''(3) BEST INFORMATION AND JUDGMENT.—Information, analysis, and recommendations shall be provided in writing and shall reflect the best information and judgment of the committee.

''(b) OTHER DUTIES.—Each State technical committee shall provide assistance and offer recommendations with respect to the technical aspects of—

''(1) wetland protection, restoration, and mitigation requirements;

''(2) criteria to be used in evaluating bids for enrollment of environmentally sensitive lands in the conservation reserve program;

''(3) guidelines for haying or grazing and the control of weeds to protect nesting wildlife on setaside acreage;

''(4) addressing common weed and pest problems and programs to control weeds and pests found on acreage enrolled in the conservation reserve program;

''(5) guidelines for planting perennial cover for water quality and wildlife habitat improvement on set-aside lands;

''(6) criteria and guidelines to be used in evaluating petitions by farmers to test conservation practices and systems not currently covered in Field Office Technical Guides;

''(7) identification, prioritization, and coordination of Water Quality Incentives Program initiatives in the State; and

''(8) other matters determined appropriate by the Secretary.

''(c) AUTHORITY.—

''(1) NO ENFORCEMENT AUTHORITY.—Each State technical committee is advisory and shall have no implementation or enforcement authority.

''(2) CONSIDERATION.—The Secretary shall give strong consideration to the recommendations of State technical committees in administering the program under this title, and to any factual, technical, or scientific finding of a committee.''.

## KERREY AMENDMENT NO. 3334

(Ordered to lie on the table.)

Mr. KERREY submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 3–62, after line 22, insert the following:

**SEC. 356. CONSERVATION ESCROW ACCOUNT.**

Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) is amended by adding at the end the following:

**''SEC. 1248. CONSERVATION ESCROW ACCOUNT.**

''(a) ESTABLISHMENT.—The Secretary shall establish a conservation escrow account.

''(b) DEPOSITS INTO ACCOUNTS.—Any program loans, payments, or benefits forfeited by, or fines collected from, producers under section 1211 or 1221 shall be placed in the conservation escrow account.

''(c) USE OF FUNDS.—Funds in the conservation escrow account shall be used to provide technical and financial assistance to individuals to implement natural resource conservation practices.

''(d) GEOGRAPHIC DISTRIBUTION.—The Secretary shall use funds in the conservation escrow account for local areas in proportion to the amount of funds forfeited by or collected from producers in the local area.

''(e) COMPLIANCE ASSISTANCE.—To assist the producer in complying with the applicable section referred to in subsection (b) not later than 1 year after a determination of noncompliance, a producer shall be eligible to receive compliance assistance of up to 66 percent of any loan, payment, benefit forfeited, or fines placed in the conservation escrow account.''.

## KERREY AMENDMENT NO. 3335

(Ordered to lie on the table.)

Mr. KERREY submitted an amendment intended to be proposed by him to an amendment proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 3-6, between lines 11 and 12, insert the following:

(c) REPAYMENT OF COST SHARING AND OTHER PAYMENTS.—Section 1235(d)(1) of the Food Security Act of 1985 (16 U.S.C. 3835(d)(1)) is amended—

(1) in subparagraph (A), by striking ''and'' at the end;

(2) in subparagraph (B), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

''(C) in the case of a contract with respect to which 5 years or less of the contract term have elapsed, the owner or operator agrees to repay all cost sharing, rental, and other payments made by the Secretary under the contract and section 1234 and

''(D) in the case of a contract with respect to which more than 5 years but less than 8 years of the contract term have elapsed, the owner or operator agrees to repay all cost sharing payments made by the Secretary under the contract and section 1234(b).''.

## HEFLIN AMENDMENTS NO. 3336–3345

(Ordered to lie on the table.)

Mr. HEFLIN submitted ten amendments intended to be proposed by him to an amendment submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

### AMENDMENT NO. 3336

On page 1–66, after line 24, add the following:

(6) TRANSFERS OF FARM POUNDAGE QUOTAS.—Section 358b(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1353b(a)) is amended by adding at the end the following:

''(4) TRANSFERS BETWEEN STATES HAVING QUOTAS OF LESS THAN 10,000 TONS.—Notwithstanding paragraphs (1) through (3), in case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota up to 1,000 tons may be transferred by sale or lease from a farm in 1 such State to a farm in another such State.''.

### AMENDMENT NO. 3337

On page 1–27, strike lines 10 through 20 and insert the following:

(c) TERM OF LOAN.—

(1) IN GENERAL.—Except as provided in paragraph (2)—

(A) in the case of each loan commodity, a marketing assistance loan under subsection (a) shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made; and

(B) the Secretary may not extend the term of a marketing assistance loan for any loan commodity.

(2) COTTON.—

(A) IN GENERAL.—A marketing assistance loan for upland cotton or extra long staple cotton shall have a term of 10 months beginning on the first day of the first month after the month in which the loan is made.

(B) EXTENSION OF LOAN PERIOD.—

(i) IN GENERAL.—Except as provided in clause (ii), a marketing assistance loan for upland cotton or extra long staple cotton shall, on request of the producer during the 10th month of the loan period for the cotton, be made available for an additional term of 8 months.

(ii) LIMITATION.—A request to extend the loan period shall not be approved in any month in which the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for the preceding month exceeded 130 percent of the average price of the base quality of upland cotton in the designated United States spot markets for the preceding 36-month period.

### AMENDMENT NO. 3338

Strike section 106 and insert the following:

**SEC. 106. PEANUT PROGRAM.**

(a) MARKETING QUOTAS.—

(1) NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS.—

(A) IN GENERAL.—The section heading of section 358–1 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1) is amended by striking ''**1991 THROUGH 1997 CROPS OF**''.

(B) NATIONAL POUNDAGE QUOTAS.—

(i) ESTABLISHMENT.—Section 358–1(a)(1) of the Act is amended—

(I) in the first sentence—

(aa) by striking ''of the 1991 through 1997 marketing years'' and inserting ''marketing year'';

(bb) by striking '', seed,''; and

(cc) by striking the period at the end and inserting '', excluding seed. In making estimates under this paragraph for a marketing year, the Secretary shall annually estimate and take into account the quantity of peanuts and peanut products to be imported into the United States for the marketing year.''; and

(II) by striking the second sentence.

(ii) APPORTIONMENT.—Section 358–1(a)(3) of the Act is amended by striking ''1990'' and inserting ''1995''.

(C) FARM POUNDAGE QUOTA.—

(i) ESTABLISHMENT.—Section 358–1(b)(1)(A) of the Act is amended—

(I) by striking ''of the 1991 through 1997 marketing years'' and inserting ''marketing year''; and

(II) in clause (i), by striking ''1990'' and inserting ''1995''.

(ii) QUANTITY.—Section 358–1(b)(1)(B) of the Act is amended—

(I) by striking ''of the 1991 through 1997 marketing years'' and inserting ''marketing year''; and

(II) by striking ''including—'' and all that follows through ''(ii) any'' and inserting ''including any''.

(iii) ADJUSTMENTS.—Section 358–1(b)(2) of the Act is amended—

(I) in subparagraph (A)—

(aa) by striking ''(B) and subject to subparagraph (D)'' and inserting ''(C)''; and

(bb) by striking ''of the 1991 through 1997 marketing years'' and inserting ''marketing year'';

(II) by striking subparagraph (B);

(III) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively; and

(IV) in subparagraph (B) (as so redesignated), by striking ''of the 1991 through 1997 marketing years'' and inserting ''marketing year''.

(iv) QUOTA NOT PRODUCED.—Section 358–1(b)(3) of the Act is amended—

(I) in subparagraph (A), by striking ''of the 1991 through 1997 marketing years'' and inserting ''marketing year''; and

(II) in subparagraph (B), by striking ''include—'' and all that follows through ''(ii) any'' and inserting ''include any''.

(v) QUOTA CONSIDERED PRODUCED.—Section 358–1(b)(4) of the Act is amended—

(I) in subparagraph (A), by inserting ''or'' after the semicolon at the end; and

(II) by striking subparagraphs (B) and (C) and inserting the following:

''(B) the farm poundage quota for the farm was—

''(i) released voluntarily under paragraph (7); or

''(ii) leased to another owner or operator of a farm within the same county for transfer to the farm;

for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made.''.

(vi) ALLOCATION OF QUOTAS REDUCED OR RELEASED.—Section 358–1(b)(6) of the Act is amended—

(I) in subparagraph (A), by striking ''subparagraphs (B) and (C), the total quantity of the'' and inserting ''subparagraph (B),'';

(II) in subparagraph (B)—

(aa) by striking ''Not more than 25 percent of the'' and inserting ''The''; and

(bb) by adding at the end the following: ''Any farm quota pounds remaining after allocation to farms under this subparagraph shall be allocated under subparagraph (A).''; and

(III) by striking subparagraph (C).

(vii) TEMPORARY QUOTA ALLOCATION FOR SEED.—Section 358–1(b) of the Act is amended by striking paragraph (8) and inserting the following:

''(8) TEMPORARY QUOTA ALLOCATION FOR SEED.—For each marketing year and pursuant to regulation, the Secretary shall make a temporary allocation of poundage quota, for that marketing year only, to each producer of peanuts on a farm, in addition to any farm poundage quota established under paragraph (1), in a quantity equal to the pounds of seed peanuts planted by the producer on the farm.''.

(viii) TRANSFER OF ADDITIONAL PEANUTS.—Section 358–1(b) of the Act is amended by striking paragraph (9) and inserting the following:

''(9) TRANSFER OF ADDITIONAL PEANUTS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts on a farm from which the quota poundage was not harvested and marketed may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall provide by regulation.

''(B) LIMITATIONS.—The poundage of peanuts transferred under subparagraph (A) shall not exceed 25 percent of the total farm poundage quota, excluding pounds transferred in the fall.

''(C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at a rate of not less than 70 percent of the quota support rate for the marketing years during which the transfers occur.''.

(D) CROPS.—Section 358–1(f) of the Act is amended by striking ''1991 through 1997'' and inserting ''1996 through 2002''.

(2) SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.—

(A) IN GENERAL.—The section heading of section 358b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b) is amended by striking ''**1991 THROUGH 1995 CROPS OF**''.

(B) SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.—Section 358b(a) of the Act is amended—

(i) by striking ''(including any applicable under marketings)'' each place it appears;

(ii) in paragraph (1)—

(I) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively;

(II) by inserting before subparagraph (B) (as so redesignated) the following:

''(A) with the owner or operator of another farm located within the same county or located in a different county within the same State;'';

(III) in subparagraph (B) (as so redesignated), by striking ''undermarketings and''; and

(IV) by adding at the end the following: ''Fall transfers of quota pounds shall not affect the farm quota history for the transferring or receiving farm and shall not result in a reduction of the farm poundage quota on the transferring farm.'';

(iii) in paragraph (2)—

(I) in the first sentence—

(aa) by striking ''county or in a county contiguous to the county in the same''; and

(bb) by inserting before the period at the end the following: '', if both the transferring and the receiving farms were under the control of the owner or operator for at least 3 crop years prior to the crop year in which the farm poundage quota is transferred''; and

(II) in the second sentence, by striking ''the transferred quota is produced or considered produced on the receiving farm'' and inserting ''sufficient acreage is planted on the receiving farm to produce the quota pounds transferred''; and

(iv) by adding at the end the following:

''(4) TRANSFERS BY SALE IN STATES WITH LARGE QUOTAS.—

''(A) IN GENERAL.—In the case of a State for which the poundage quota allocated to the State was 10,000 tons or greater for the previous year, the owner, or operator with permission of the owner, of a farm located in the State for which a farm poundage quota has been established under section 358–1 may sell all or any part of the farm poundage quota to any other eligible owner or operator of a farm within the same State.

''(B) LIMITATIONS.—

''(i) 1996.—During calendar year 1996, not more than 15 percent of the total poundage quota within a county as of January 1, 1996, may be sold and transferred outside the county under this paragraph.

''(ii) SUBSEQUENT YEARS.—During calendar year 1997 and each subsequent calendar year, not more than 5 percent of the total poundage quota within a county as of January 1 of the calendar year may be sold and transferred outside the county under this paragraph.

''(iii) AGGREGATE LIMIT.—Not more than an aggregate of 30 percent of the total poundage quota within a county may be sold and transferred outside the county under this paragraph.

''(C) SUBSEQUENT LEASE OR SALE.—Quota poundage sold and transferred under this paragraph may not be leased or sold to another farm owner or operator within the same State for a period of 5 years following the original transfer to the farm.''.

(C) RECORD.—Section 358b(b)(3) of the Act is amended by striking ''committee of the county to which the transfer is made and the committee determines'' and inserting ''committees of the counties from and to which the transfer is made and the committees determine''.

(D) CROPS.—Section 358b(c) of the Act is amended by striking ''1991 through 1995'' and inserting ''1996 through 2002''.

(3) EXPERIMENTAL AND RESEARCH PROGRAMS.—Section 358c(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358c(d)) is amended by striking ''1991 through 1995'' and inserting ''1996 through 2002''.

(4) MARKETING PENALTIES.—Section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a) is amended—

(A) in the section heading, by striking ''**1991 THROUGH 1997 CROPS OF**'';

(B) in subsection (d)(6)(A), by inserting after ''If any additional peanuts'' the following: ''or peanut products made from additional peanuts''; and

(C) in subsection (i), by striking ''1991 through 1997'' and inserting ''1996 through 2002''.

(b) PRICE SUPPORT PROGRAM FOR PEANUTS.—

(1) QUOTA PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, and other operations on quota peanuts.

(B) SUPPORT RATES.—The national average quota support rate for each crop of quota peanuts shall be the national average quota support rate for the immediately preceding crop, adjusted to reflect any increase, during the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any change in the cost of land and the cost of any assessments required under paragraph (7), except that in no event shall the national average quota support rate for any such crop be increased, or decreased, by more than 5 percent of the national average quota support rate for the preceding crop.

(C) INSPECTION, HANDLING, OR STORAGE.—The levels of support so announced shall not be reduced by any deductions for inspection, handling, or storage.

(D) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 411 of the Agricultural Adjustment Act of 1938.

(E) ANNOUNCEMENT.—The Secretary shall announce the level of support for quota peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

(2) ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts at such levels as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, except that the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(B) ANNOUNCEMENT.—The Secretary shall announce the level of support for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

(3) AREA MARKETING ASSOCIATIONS.—

(A) WAREHOUSE STORAGE LOANS.—

(i) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the three producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 358e of the Agricultural Adjustment Act of 1938.

(ii) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—The area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this section and section 358e of the Agricultural Adjustment Act of 1938.

(iii) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include, in addition to the price support value of the peanuts, such costs as the area marketing association reasonably may incur in carrying out its responsibilities, operations, and activities under this section and section 358e of the Agricultural Adjustment Act of 1938.

(B) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(i) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Peanuts physically produced outside the State of New Mexico shall not be eligible for entry into or participation in the New Mexico pools. Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(ii) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(I) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool plus an amount from all additional pool gains equal to any loss on disposition of all peanuts in the pool for quota peanuts.

(II) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in subclause (I).

(4) LOSSES.—

(A) OTHER PRODUCERS IN SAME POOL.—Losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributable to the same producer from the sale of additional peanuts for domestic and edible use or export.

(B) QUOTA PEANUTS PLACED UNDER LOAN.—Net gains on additional peanuts within an area (other than net gains on additional peanuts in separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico) shall be first reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts placed under loan in the area, in such manner as the Secretary shall by regulation prescribe.

(C) QUOTA LOAN POOLS.—

(i) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(9) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(9)).

(ii) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under paragraph (7) to offset further losses in area quota pools. At the end of each year, the Secretary shall transfer to the Treasury the funds collected under paragraph (7) that the Secretary determines are not required to cover losses in area quota pools.

(iii) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(9) of the Agricultural Adjustment Act of 1938, shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(iv) INCREASED ASSESSMENTS.—If actions taken under clauses (i) through (iii) are not sufficient to cover losses in area pools, the Secretary shall increase the marketing assessment established under paragraph (7) by such amount as the Secretary considers necessary to cover the losses. Amounts collected under paragraph (7) as a result of the increased assessment shall be retained by the Secretary to cover losses in the pool.

(5) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no price support may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938.

(6) QUALITY IMPROVEMENT.—

(A) PRICE SUPPORT PEANUTS.—With respect to peanuts under price support loan, the Secretary shall—

(i) promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;

(ii) ensure that all Commodity Credit Corporation loan stocks of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department of Agriculture inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(iii) continue to endeavor to operate the peanut price support program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.)); and

(iv) ensure that any changes made in the price support program as a result of this subsection requiring additional production or handling at the farm level shall be reflected as an upward adjustment in the Department of Agriculture loan schedule.

(B) EXPORTS AND OTHER PEANUTS.—

(i) IN GENERAL.—The Secretary shall require that all peanuts, including peanuts imported into the United States, meet all United States quality standards under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937), and that importers of the peanuts fully comply with inspection, handling, storage, and processing requirements implemented under Marketing Agreement No. 146.

(ii) EXPORTED PEANUTS.—The Secretary shall ensure that peanuts produced for the export market meet quality, inspection, handling, storage, and processing requirements under Marketing Agreement No. 146.

(7) MARKETING ASSESSMENT.—

(A) IN GENERAL.—The Secretary shall provide, by regulation, for a nonrefundable marketing assessment equal to 1.2 percent of the national average quota or additional peanut support rate per pound, as applicable, on all peanuts sold in the United States during each of the 1996 through 2002 marketing years.

(B) TREATMENT OF IMPORTED PEANUTS.—For the purposes of determining the applicable assessment rate under this section, imported peanuts shall be treated as additional peanuts.

(C) FIRST PURCHASERS.—

(i) DEFINITION OF FIRST PURCHASER.—In this clause, the term 'first purchaser' means a person acquiring peanuts from a producer, or a person that imports peanuts, except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(ii) ADMINISTRATION.—Except as provided in clause (iii) and subparagraphs (D) and (E), the first purchaser shall—

(I) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by .6 percent of the applicable national average support rate;

(II) pay, in addition to the amount collected under subclause (I), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .6 percent of the applicable national average support rate; and

(III) remit the amounts required under subclauses (I) and (II) to the Commodity Credit Corporation in a manner specified by the Secretary.

(iii) IMPORTED PEANUTS.—In the case of imported peanuts, the first purchaser shall pay to the Commodity Credit Corporation, in a manner specified by the Secretary, a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by 1.2 percent of the national average support rate for additional peanuts.

(D) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or

wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(E) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a price support loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(F) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(i) the quantity of peanuts involved in the violation; by

(ii) the national average quota peanut price support level for the applicable crop year.

(G) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

(H) USE OF FUNDS.—Funds collected under this subsection shall be used by the Secretary to offset the costs of operating the peanut price support program.

(8) CROPS.—Except as provided in paragraph (7) and notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.

(c) ADMINISTRATIVE PROVISIONS.—

(1) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before ''all brokers and dealers in peanuts'' the following: ''all producers engaged in the production of peanuts,''.

(2) SUSPENSION OF PERMANENT PROGRAM.—Section 371 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371) shall not be applicable to the 1996 through 2002 crops of peanuts.

(3) ADMINISTRATION.—The first paragraph of section 32 of the Act entitled ''An Act to amend the Agricultural Adjustment Act, and for other purposes'', approved August 24, 1935 (7 U.S.C. 612c), is amended—

(A) in the first sentence, by striking ''30 per centum'' and inserting ''30 percent (or, in the case of duties collected with respect to an import that is subject to a tariff-rate quota, 100 percent)''; and

(B) in the second sentence—

(i) by striking ''and (3)'' and inserting ''(3)''; and

(ii) by inserting before the period at the end the following: ''; and (4) offset the costs of operating a program to provide price support for domestically produced peanuts''.

(d) PEANUT STANDARDS.—

(1) INSPECTION; QUALITY ASSURANCE.—

(A) INITIAL ENTRY.—The Secretary of Agriculture (referred to in this title as the ''Secretary'') shall require all peanuts and peanut products sold in the United States to be initially placed in a bonded, licensed warehouse approved by the Secretary for the purpose of inspection and grading by the Secretary, the Commissioner of the Food and Drug Administration, and the heads of other appropriate agencies of the United States.

(B) PRELIMINARY INSPECTION.—Peanuts and peanut products shall be held in the warehouse until inspected by the Secretary, the Commissioner of the Food and Drug Administration, or the head of another appropriate agency of the United States, for chemical residues, general cleanliness, disease, size, aflatoxin, stripe virus, and other harmful conditions, and an assurance of compliance with all grade and quality standards specified under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937).

(C) SEPARATION OF LOTS.—All imported peanuts shall be maintained separately from, and shall not be commingled with, domestically produced peanuts in the warehouse.

(D) ORIGIN OF PEANUT PRODUCTS.—

(i) LABELING.—A peanut product shall be labeled with a label that indicates the origin of the peanuts contained in the product.

(ii) SOURCE.—No peanut product may contain both imported and domestically produced peanuts.

(iii) IMPORTED PEANUT PRODUCTS.—The first seller of an imported peanut product shall certify that the product is made from raw peanuts that meet the same quality and grade standards that apply to domestically produced peanuts.

(E) DOCUMENTATION.—No peanuts or peanut products may be transferred, shipped, or otherwise released from a warehouse described in subparagraph (A) unless accompanied by a United States Government inspection certificate that certifies compliance with this section.

(2) HANDLING AND STORAGE.—

(A) TEMPERATURE AND HUMIDITY.—The Secretary shall require all shelled peanuts sold in the United States to be maintained at a temperature of not more than 37 degrees Fahrenheit and a humidity range of 60 to 68 percent at all times during handling and storage prior to sale and shipment.

(B) CONTAINERS.—The peanuts shall be shipped in a container that provides the maximum practicable protection against moisture and insect infestation.

(C) IN-SHELL PEANUTS.—The Secretary shall require that all in-shell peanuts be reduced to a moisture level not exceeding 10 percent immediately on being harvested and be stored in a facility that will ensure quality maintenance and will provide proper ventilation at all times prior to sale and shipment.

(3) LABELING.—The Secretary shall require that all peanuts and peanut products sold in the United States contain labeling that lists the country or countries in which the peanuts, including all peanuts used to manufacture the peanut products, were produced.

(4) INSPECTION AND TESTING.—

(A) IN GENERAL.—All peanuts and peanut products sold in the United States shall be inspected and tested for grade and quality.

(B) CERTIFICATION.—All peanuts or peanut products offered for sale in, or imported into, the United States shall be accompanied by a certification by the first seller or importer that the peanuts or peanut products do not contain residues of any pesticide not approved for use in, or importation into, the United States.

(5) NUTRITIONAL LABELING.—The Secretary shall require all peanuts and peanut products sold in the United States to contain complete nutritional labeling information as required under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.).

(6) PEANUT CONTENT.—

(A) OFFSET AGAINST HTS QUANTITY.—The actual quantity of peanuts, by weight, used to manufacture, and ultimately contained in, peanut products imported into the United States shall be accounted for and offset against the total quantity of peanut imports allowed under the in-quota quantity of the tariff-rate quota established for peanuts under the Harmonized Tariff Schedule of the United States.

(B) VERIFICATION.—The Secretary shall establish standards and procedures for the purpose of verifying the actual peanut content of peanut products imported into the United States.

(7) PLANT DISEASES.—The Secretary, in consultation with the heads of other appropriate agencies of the United States, shall ensure that all peanuts in the domestic edible market are inspected and tested to ensure that they are free of all plant diseases.

(8) ADMINISTRATION.—

(A) FEES.—The Secretary shall by regulation fix and collect fees and charges to cover the costs of any inspection or testing performed under this title.

(B) CERTIFICATION.—

(i) IN GENERAL.—The Secretary may require the first seller of peanuts sold in the United States to certify that the peanuts comply with this title.

(ii) FRAUD AND FALSE STATEMENTS.—Section 1001 of title 18, United States Code, shall apply to a certification made under this title.

(C) STANDARDS AND PROCEDURES.—In consultation with the heads of other appropriate agencies of the United States, the Secretary shall establish standards and procedures to provide for the enforcement of, and ensure compliance with, this title.

(D) FAILURE TO MEET STANDARDS.—Peanuts or peanut products that fail to meet standards established under this title shall be returned to the seller and exported or crushed pursuant to section 358e(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a(d)).

(9) CHANGE OF VENUE.—In any case in which an area pool or a marketing association brings, joins, or seeks to join a civil action in a United States district court to enforce this title, the district court may not transfer the action to any other district or division over the objection of the pool or marketing association.

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AMENDMENT NO. 3339

Strike the section relating to the peanut program and insert the following:

**SEC. 106. PEANUT PROGRAM.**

(a) PRICE SUPPORT PROGRAM.—

(1) QUOTA PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, and other operations on quota peanuts for each of the 1996 through 2002 crops.

(B) SUPPORT RATES.—

(i) IN GENERAL.—Subject to clause (ii), the national average quota support rate for each of the 1996 through 2002 crops of quota peanuts shall be the national average quota support rate for the immediately preceding crop, adjusted to reflect any increase or decrease, during the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any change in the cost of land and the cost of any assessments required under paragraph (7).

(ii) MAXIMUM RATE.—In no event shall the national average quota support rate for any such crop be increased or decreased by more than 5 percent of the national average quota support rate for the preceding crop.

(C) INSPECTION, HANDLING, OR STORAGE.—The level of support determined under subparagraph (B) shall not be reduced by any deduction for inspection, handling, or storage.

(D) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 104(i).

(E) ANNOUNCEMENT.—The Secretary shall announce the level of support for quota peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

(2) ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1996 through 2002 crops at such levels as the Secretary considers appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, except that the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(B) ANNOUNCEMENT.—The Secretary shall announce the level of support for additional peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

(3) AREA MARKETING ASSOCIATIONS.—

(A) WAREHOUSE STORAGE LOANS.—

(i) IN GENERAL.—In carrying out paragraphs (1) and (2), the Secretary shall make warehouse storage loans available in each of the 3 producing areas described in section 1446.95 of title 7, Code of Federal Regulations (as of January 1, 1989), to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this subsection and sections 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(ii) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—The area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this subsection and sections 358e of the Agricultural Adjustment Act of 1938.

(iii) ASSOCIATION COSTS.—Loans made to an area marketing association under this subparagraph shall include, in addition to the price support value of the peanuts, such costs as the association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this subsection and sections 358e of the Agricultural Adjustment Act of 1938.

(B) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(i) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Peanuts produced outside New Mexico shall not be eligible for entry into or participation in the separate pools established for Valencia peanuts produced in New Mexico. Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(ii) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(I) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool plus an amount from all additional pool gains equal to any loss on disposition of all peanuts in the pool for quota peanuts.

(II) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in subclause (I).

(4) LOSSES.—Notwithstanding any other provision of this subsection:

(A) QUOTA PEANUTS PLACED UNDER LOAN.—Any distribution of net gains on additional peanuts (other than net gains on additional peanuts in separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico) shall be first reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts placed under loan.

(B) QUOTA LOAN POOLS.—Losses in area quota pools shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the producer from the sale of additional peanuts for domestic and export edible use.

(5) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no price support may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)).

(6) QUALITY IMPROVEMENT.—

(A) PRICE SUPPORT PEANUTS.—With respect to peanuts under price support loan, the Secretary shall—

(i) promote the crushing of peanuts at a greater risk of deterioration before peanuts at a lesser risk of deterioration;

(ii) ensure that all Commodity Credit Corporation loan stocks of peanuts sold for domestic edible use are shown to have been officially inspected by licensed Department of Agriculture inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(iii) continue to endeavor to operate the peanut price support program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(iv) ensure that any changes made in the price support program as a result of this paragraph requiring additional production or handling at the farm level are reflected as an upward adjustment in the Department of Agriculture loan schedule.

(B) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts, including peanuts imported into the United States, meet all United States quality standards under Marketing Agreement No. 146 and that importers of the peanuts fully comply with inspection, handling, storage, and processing requirements implemented under Marketing Agreement No. 146. The Secretary shall ensure that peanuts produced for the export market meet quality, inspection, handling, storage, and processing requirements under Marketing Agreement No. 146.

(7) MARKETING ASSESSMENT.—

(A) IN GENERAL.—The Secretary shall provide, by regulation, for a nonrefundable marketing assessment applicable to each of the 1996 through 2002 crops of peanuts. The assessment shall be made in accordance with this paragraph and shall be on a per pound basis in an amount equal to 1.2 percent of the national average quota or additional peanut support rate per pound, as applicable, for the applicable crop. No peanuts shall be assessed more than 1.2 percent of the applicable support rate under this paragraph.

(B) FIRST PURCHASERS.—

(i) IN GENERAL.—Except as provided under subparagraphs (C) and (D), the first purchaser of peanuts shall—

(I) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by .65 percent of the applicable national average support rate;

(II) pay, in addition to the amount collected under subclause (I), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average support rate; and

(III) remit the amounts required under subclauses (I) and (II) to the Commodity Credit Corporation in a manner specified by the Secretary.

(ii) DEFINITION.—In this paragraph, the term ''first purchaser'' means a person acquiring peanuts from a producer, except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

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

(D) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a price support loan made under this subsection, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For the purposes of computing net gains on peanuts under this subsection, the reduction in loan proceeds shall be treated as having been paid to the producer.

(E) PENALTIES.—If any person fails to collect or remit the reduction required by this paragraph or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this paragraph, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(i) the quantity of peanuts involved in the violation; by

(ii) the national average quota peanut price support level for the applicable crop year.

(F) ENFORCEMENT.—The Secretary may enforce this paragraph in the courts of the United States.

(8) CROPS.—Notwithstanding any other provision of law, this subsection shall be effective only for the 1996 through 2002 crops of peanuts.

(b) SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS.—Section 371 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371) shall not be applicable to the 1996 through 2002 crops of peanuts.

(c) NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS.—Section 358–1 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1) is amended to read as follows:

**"SEC. 358–1. NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.**

''(a) NATIONAL POUNDAGE QUOTAS.—

''(1) ESTABLISHMENT.—The national poundage quota for peanuts for each of the 1996

through 2002 marketing years shall be established by the Secretary at a level that is equal to the quantity of peanuts (in tons) that the Secretary estimates will be devoted in each such marketing year to domestic edible and related uses, excluding seed. The Secretary shall include in the annual estimate of domestic edible and related uses, the estimated quantity of peanuts and peanut products to be imported into the United States for the marketing year for which the quota is being established.

''(2) ANNOUNCEMENT.—The national poundage quota for a marketing year shall be announced by the Secretary not later than the December 15 preceding the marketing year.

''(3) APPORTIONMENT AMONG STATES.—The national poundage quota established under paragraph (1) shall be apportioned among the States so that the poundage quota allocated to each State is equal to the percentage of the national poundage quota allocated to farms in the State for 1995.

''(b) FARM POUNDAGE QUOTAS.—

''(1) IN GENERAL.—

''(A) ESTABLISHMENT.—A farm poundage quota for each of the 1996 through 2002 marketing years shall be established—

''(i) for each farm that had a farm poundage quota for peanuts for the 1995 marketing year;

''(ii) if the poundage quota apportioned to a State under subsection (a)(3) for any such marketing year is larger than the quota for the immediately preceding marketing year, for each other farm on which peanuts were produced for marketing in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary; and

''(iii) as approved and determined by the Secretary under section 358c, for each farm on which peanuts are produced in connection with experimental and research programs.

''(B) QUANTITY.—

''(i) IN GENERAL.—The farm poundage quota for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(i) shall be the same as the farm poundage quota for the farm for the immediately preceding marketing year, as adjusted under paragraph (2), but not including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

''(ii) INCREASED QUOTA.—The farm poundage quota, if any, for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(ii) shall be equal to the quantity of peanuts allocated to the farm for the year under paragraph (2).

''(C) TRANSFERS.—For purposes of this subsection, if the farm poundage quota, or any part of the quota, is permanently transferred in accordance with section 358b, the receiving farm shall be considered as possessing the farm poundage quota (or portion of the quota) of the transferring farm for all subsequent marketing years.

''(2) ADJUSTMENTS.—

''(A) ALLOCATION OF INCREASED QUOTA GENERALLY.—Subject to subparagraphs (B) and (D), if the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is increased over the poundage quota apportioned to farms in the State for the immediately preceding marketing year, the increase shall be allocated proportionately, based on farm production history for peanuts for the 3 immediately preceding years, among—

''(i) all farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made; and

''(ii) all other farms in the State on which peanuts were produced in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary.

''(B) TEMPORARY QUOTA ALLOCATION.—

''(i) IN GENERAL.—Subject to clause (iv), temporary allocation of a poundage quota for the marketing year in which a crop of peanuts is planted shall be made to producers for each of the 1996 through 2002 marketing years in accordance with this subparagraph.

''(ii) QUANTITY.—The temporary quota allocation shall be equal to the quantity of seed peanuts (in pounds) planted on a farm, as determined in accordance with regulations issued by the Secretary.

''(iii) ALLOCATION.—The allocation of quota pounds to producers under this subparagraph shall be performed in such a manner as will not result in a net decrease in quota pounds on a farm in excess of 3 percent, after the temporary seed quota is added, from the basic farm quota for the 1995 marketing year. A decrease shall occur only once, shall be applicable only to the 1996 marketing year.

''(iv) NO INCREASED COSTS.—The Secretary may carry out this subparagraph only if this subparagraph does not result in—

''(I) an increased cost to the Commodity Credit Corporation through displacement of quota peanuts by additional peanuts in the domestic market;

''(II) an increased loss in a loan pool of an area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act; or

''(III) other increased costs.

''(v) USE OF QUOTA AND ADDITIONAL PEANUTS.—Nothing in this subparagraph affects the requirements of section 358b(b).

''(vi) ADDITIONAL ALLOCATION.—The temporary allocation of quota pounds under this subparagraph shall be in addition to the farm poundage quota established under this subsection and shall be credited to the producers of the peanuts on the farm in accordance with regulations issued by the Secretary.

''(C) DECREASE.—If the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is decreased from the poundage quota apportioned to farms in the State under subsection (a)(3) for the immediately preceding marketing year, the decrease shall be allocated among all the farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made.

''(D) SPECIAL RULE ON TENANT'S SHARE OF INCREASED QUOTA.—Subject to terms and conditions prescribed by the Secretary, on farms that were leased to a tenant for peanut production, the tenant shall share equally with the owner of the farm in the percentage of the quota made available under subparagraph (A) and otherwise allocated to the farm as the result of the production of the tenant on the farm of additional peanuts. Not later than April 1 of each year or as soon as practicable during the year, the share of the tenant of any such quota shall be allocated to a farm within the county owned by the tenant or sold by the tenant to the owner of any farm within the county and permanently transferred to the farm. Any quota not so disposed of as provided in this subparagraph shall be allocated to other quota farms in the State under paragraph (6) as part of the quota reduced from farms in the State due to the failure to produce the quota.

''(3) QUOTA NOT PRODUCED.—

''(A) IN GENERAL.—Insofar as practicable and on such fair and equitable basis as the Secretary may by regulation prescribe, the farm poundage quota established for a farm for any of the 1996 through 2002 marketing years shall be reduced to the extent that the Secretary determines that the farm poundage quota established for the farm for any 2 of the 3 marketing years preceding the marketing year for which the determination is being made was not produced, or considered produced, on the farm.

''(B) EXCLUSIONS.—For the purposes of this paragraph, the farm poundage quota for any such preceding marketing year shall not include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

''(4) QUOTA CONSIDERED PRODUCED.—

''(A) IN GENERAL.—For purposes of this subsection, subject to subparagraph (B), the farm poundage quota shall be considered produced on a farm if—

''(i) the farm poundage quota was not produced on the farm because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, as determined by the Secretary;

''(ii) the farm poundage quota for the farm was released voluntarily under paragraph (7) for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; or

''(iii) the farm poundage quota was leased to another owner or operator of a farm within the same county for transfer to the farm for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made.

''(B) MARKETING YEARS.—For purposes of clauses (ii) and (iii) of subparagraph (A)—

''(i) the farm poundage quota leased or transferred shall be considered produced for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; and

''(ii) the farm shall not be considered to have produced for more than 1 marketing year out of the 3 immediately preceding marketing years.

''(5) QUOTA PERMANENTLY RELEASED.—Notwithstanding any other provision of law—

''(A) the farm poundage quota established for a farm under this subsection, or any part of the quota, may be permanently released by the owner of the farm, or the operator with the permission of the owner; and

''(B) the poundage quota for the farm for which the quota is released shall be adjusted downward to reflect the quota that is released.

''(6) ALLOCATION OF QUOTAS REDUCED OR RELEASED.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the total quantity of the farm poundage quotas reduced or voluntarily released from farms in a State for any marketing year under paragraphs (3) and (5) shall be allocated, as the Secretary may by regulation prescribe, to other farms in the State on which peanuts were produced in at least 2 of the 3 crop years immediately preceding the year for which the allocation is being made.

''(B) SET-ASIDE FOR FARMS WITH NO QUOTA.—The total amount of farm poundage quota to be allocated in the State under subparagraph (A) shall be allocated to farms in the State for which no farm poundage quota was established for the crop of the immediately preceding year. The allocation to any such farm shall not exceed the average farm production of peanuts for the 3 immediately preceding years during which peanuts were produced on the farm. Any farm poundage quota remaining after allocation to farms under this subparagraph shall be allocated to farms in the State on which poundage quotas were established for the crop of the immediately preceding year.

''(7) QUOTA TEMPORARILY RELEASED.—

''(A) IN GENERAL.—The farm poundage quota, or any portion of the quota, established for a farm for a marketing year may be voluntarily released to the Secretary to the extent that the quota, or any part of the quota, will not be produced on the farm for the marketing year. Any farm poundage quota so released in a State shall be allocated to other farms in the State on such basis as the Secretary may by regulation prescribe.

''(B) EFFECTIVE PERIOD.—Except as otherwise provided in this section, any adjustment in the farm poundage quota for a farm under subparagraph (A) shall be effective only for the marketing year for which the adjustment is made and shall not be taken into consideration in establishing a farm poundage quota for the farm from which the quota was released for any subsequent marketing year.

''(c) FARM YIELDS.—

''(1) IN GENERAL.—For each farm for which a farm poundage quota is established under subsection (b), and when necessary for purposes of this Act, a farm yield of peanuts shall be determined for each such farm.

''(2) QUANTITY.—The yield shall be equal to the average of the actual yield per acre on the farm for each of the 3 crop years in which yields were highest on the farm during the 5-year period consisting of the 1973 through 1977 crop years.

''(3) APPRAISED YIELDS.—If peanuts were not produced on the farm in at least 3 years during the 5-year period or there was a substantial change in the operation of the farm during the period (including a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that quantity determined to be fair and reasonable on the basis of yields established for similar farms that are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

''(d) REFERENDUM RESPECTING POUNDAGE QUOTAS.—

''(1) IN GENERAL.—Not later than December 15 of each calendar year, the Secretary shall conduct a referendum of producers engaged in the production of quota peanuts in the calendar year in which the referendum is held to determine whether the producers are in favor of or opposed to poundage quotas with respect to the crops of peanuts produced in the 5 calendar years immediately following the year in which the referendum is held, except that, if at least ⅔ of the producers voting in any referendum vote in favor of poundage quotas, no referendum shall be held with respect to quotas for the remaining years of the 5-calendar year period.

''(2) PROCLAMATION.—The Secretary shall proclaim the result of the referendum within 30 days after the date on which the referendum is held.

''(3) VOTE AGAINST QUOTAS.—If more than ⅓ of the producers voting in the referendum vote against poundage quotas, the Secretary shall proclaim that poundage quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held.

''(e) DEFINITIONS.—In this part and the Agricultural Market Transition Act:

''(1) ADDITIONAL PEANUTS.—The term 'additional peanuts' means, for any marketing year—

''(A) any peanuts that are marketed from a farm for which a farm poundage quota has been established and that are in excess of the marketings of quota peanuts from the farm for the year; and

''(B) all peanuts marketed from a farm for which no farm poundage quota has been established in accordance with subsection (b).

''(2) CRUSH.—The term 'crush' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary.

''(3) DOMESTIC EDIBLE USE.—The term 'domestic edible use' means use for milling to produce domestic food peanuts (other than a use described in paragraph (2)) and seed and use on a farm, except that the Secretary may exempt from this paragraph seeds of peanuts that are used to produce peanuts excluded under section 301(b)(18), are unique strains, and are not commercially available.

''(4) QUOTA PEANUTS.—The term 'quota peanuts' means, for any marketing year, any peanuts produced on a farm having a farm poundage quota, as determined under subsection (b), that—

''(A) are eligible for domestic edible use as determined by the Secretary;

''(B) are marketed or considered marketed from a farm; and

''(C) do not exceed the farm poundage quota of the farm for the year.

''(f) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.''.

(d) SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.—Section 358b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b) is amended to read as follows:

**''SEC. 358b. SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA FOR 1996 THROUGH 2000 CROPS OF PEANUTS.**

''(a) IN GENERAL.—

''(1) AUTHORITY.—

''(A) IN GENERAL.—Subject to such terms, conditions, or limitations as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm poundage quota has been established under this Act may sell or lease all or any part of the poundage quota to any other owner or operator of a farm within the same county for transfer to the farm, except that any such lease of poundage quota may be entered into in the fall or after the normal planting season—

''(i) if not less than 90 percent of the basic quota (consisting of the farm quota and temporary quota transfers), plus any poundage quota transferred to the farm under this subsection, has been planted or considered planted on the farm from which the quota is to be leased; and

''(ii) under such terms and conditions as the Secretary may by regulation prescribe.

''(B) FALL TRANSFERS.—

''(i) NO TRANSFER AUTHORIZATION.—In the case of a fall transfer or a transfer after the normal planting season by a cash lessee, the landowner shall not be required to sign the transfer authorization.

''(ii) TIME LIMITATION.—A fall transfer or a transfer after the normal planting season may be made not later than 72 hours after the peanuts that are the subject of the transfer are inspected and graded.

''(iii) LESSEES.—In the case of a fall transfer, poundage quota from a farm may be leased to an owner or operator of another farm within the same county or to an owner or operator of another farm in any other county within the State.

''(iv) EFFECT OF TRANSFER.—A fall transfer of poundage quota shall not affect the farm quota history for the transferring or receiving farm and shall not result in the reduction of the farm poundage quota on the transferring farm.

''(2) TRANSFERS TO OTHER SELF-OWNED FARMS.—The owner or operator of a farm may transfer all or any part of the farm poundage quota for the farm to any other farm owned or controlled by the owner or operator that is in the same State and that had a farm poundage quota for the crop of the preceding year, if both the transferring and receiving farms were under the control of the owner or operator for at least 3 crop years prior to the crop year in which the farm poundage quota is to be transferred. Any farm poundage quota transferred under this paragraph shall not result in any reduction in the farm poundage quota for the transferring farm if sufficient acreage is planted on the receiving farm to produce the quota pounds transferred.

''(3) TRANSFERS IN STATES WITH SMALL QUOTAS.—In the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota may be transferred by sale or lease or otherwise from a farm in 1 county to a farm in another county in the same State.

''(4) TRANSFERS BY SALE IN STATES HAVING QUOTAS OF 10,000 TONS OR MORE.—

''(A) IN GENERAL.—Subject to the other provisions of this paragraph and such terms and conditions as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm quota has been established under this Act in a State having a poundage quota of 10,000 tons or more may sell poundage quota to any other eligible owner or operator of a farm within the same State.

''(B) LIMITATIONS BASED ON TOTAL POUNDAGE QUOTA.—

''(i) 1996 MARKETING YEAR.—Not more than 15 percent of the total poundage quota within a county as of January 1, 1996, may be sold and transferred under this paragraph during the 1996 marketing year.

''(ii) 1997–2002 MARKETING YEARS.—

''(I) IN GENERAL.—Except as provided in subclause (II), not more than 5 percent of the quota pounds remaining in a county as of January 1, 1997, and each January 1 thereafter through January 1, 2002, may be sold and transferred under this paragraph during the applicable marketing year.

''(II) CARRYOVER.—Any eligible quota that is not sold or transferred under clause (i) shall be eligible for sale or transfer under subclause (I).

''(C) COUNTY LIMITATION.—Not more than 40 percent of the total poundage quota within a county may be sold and transferred under this paragraph.

''(D) SUBSEQUENT LEASES OR SALES.—Quota pounds sold and transferred to a farm under this paragraph may not be leased or sold by the farm to another owner or operator of a farm within the same State for a period of 5 years following the date of the original transfer to the farm.

''(E) APPLICATION.—This paragraph shall not apply to a sale within the same county or to any sale, lease, or transfer described in paragraph (1).

''(b) CONDITIONS.—Transfers (including transfer by sale or lease) of farm poundage quotas under this section shall be subject to all of the following conditions:

''(1) LIENHOLDERS.—No transfer of the farm poundage quota from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders.

''(2) TILLABLE CROPLAND.—No transfer of the farm poundage quota shall be permitted if the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) determines that the receiving farm does not

have adequate tillable cropland to produce the farm poundage quota.

''(3) RECORD.—No transfer of the farm poundage quota shall be effective until a record of the transfer is filed with the county committee of each county to, and from, which the transfer is made and each committee determines that the transfer complies with this section.

''(4) OTHER TERMS.—The Secretary may establish by regulation other terms and conditions.

''(c) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2000 crops of peanuts.''.

(e) MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS.—Section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a) is amended to read as follows:

**''SEC. 358e. MARKETING PENALTIES AND DISPOSITION OF ADDITIONAL PEANUTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.**

''(a) MARKETING PENALTIES.—

''(1) IN GENERAL.—

''(A) MARKETING PEANUTS IN EXCESS OF QUOTA.—The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which the peanuts are produced shall be subject to a penalty at a rate equal to 140 percent of the support price for quota peanuts for the marketing year in which the marketing occurs. The penalty shall not apply to the marketing of breeder or Foundation seed peanuts grown and marketed by a publicly owned agricultural experiment station (including a State operated seed organization) under such regulations as the Secretary may prescribe.

''(B) MARKETING YEAR.—For purposes of this section, the marketing year for peanuts shall be the 12-month period beginning August 1 and ending July 31.

''(C) MARKETING ADDITIONAL PEANUTS.—The marketing of any additional peanuts from a farm shall be subject to the same penalty as the penalty prescribed in subparagraph (A) unless the peanuts, in accordance with regulations established by the Secretary, are—

''(i) placed under loan at the additional loan rate in effect for the peanuts under section 106 of the Agricultural Market Transition Act and not redeemed by the producers;

''(ii) marketed through an area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act; or

''(iii) marketed under contracts between handlers and producers pursuant to subsection (f).

''(2) PAYER.—The penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer or, if the peanuts are marketed by the producer through an agent, the penalty shall be paid by the agent. The person or agent may deduct an amount equivalent to the penalty from the price paid to the producer.

''(3) FAILURE TO COLLECT.—If the person required to collect the penalty fails to collect the penalty, the person and all persons entitled to share in the peanuts marketed from the farm or the proceeds of the marketing shall be jointly and severally liable with the persons who failed to collect the penalty for the amount of the penalty.

''(4) APPLICATION OF QUOTA.—Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning in the calendar year shall be subject to the quotas even though the peanuts are marketed prior to the date on which the marketing year begins.

''(5) FALSE INFORMATION.—If any producer falsely identifies, fails to accurately certify planted acres, or fails to account for the disposition of any peanuts produced on the planted acres, a quantity of peanuts equal to the greater of the average or actual yield of the farm, as determined by the Secretary, multiplied by the number of planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts. Any penalty payable under this paragraph shall be paid and remitted by the producer.

''(6) UNINTENTIONAL VIOLATIONS.—The Secretary shall authorize, under such regulations as the Secretary shall issue, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or reduce marketing penalties provided for under this subsection in cases with respect to which the committees determine that the violations that were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned.

''(7) DE MINIMIS VIOLATIONS.—An error in weight that does not exceed 1/10 of 1 percent in the case of any 1 marketing document shall not be considered to be a marketing violation except in a case of fraud or conspiracy.

''(b) USE OF QUOTA AND ADDITIONAL PEANUTS.—

''(1) QUOTA PEANUTS.—Only quota peanuts may be retained for use as seed or for other uses on a farm. When peanuts are so retained, the retention shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts for the quantity involved that are used to produce peanuts excluded under section 301(b)(18), are unique strains, and are not commercially available.

''(2) ADDITIONAL PEANUTS.—Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use, except as provided in subsection (g).

''(3) SEED.—Except as provided in paragraph (1), seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

''(c) MARKETING PEANUTS WITH EXCESS QUANTITY, GRADE, OR QUALITY.—On a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by the handler from the crop for the marketing year, the handler shall be subject to a penalty equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts that the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

''(d) HANDLING AND DISPOSAL OF ADDITIONAL PEANUTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act.

''(2) NONSUPERVISION OF HANDLERS.—

''(A) IN GENERAL.—Supervision of the handling and disposal of additional peanuts by a handler shall not be required under paragraph (1) if the handler agrees in writing, prior to any handling or disposal of the peanuts, to comply with regulations that the Secretary shall issue.

''(B) REGULATIONS.—The regulations issued by the Secretary under subparagraph (A) shall include the following provisions:

''(i) TYPES OF EXPORTED OR CRUSHED PEANUTS.—Handlers of shelled or milled peanuts may export or crush peanuts classified by type in each of the following quantities:

''(I) SOUND SPLIT KERNEL PEANUTS.—Sound split kernel peanuts purchased by the handler as additional peanuts to which, under price support loan schedules, a mandated deduction with respect to the price paid to the producer of the peanuts would be applied due to the percentage of the sound splits.

''(II) SOUND MATURE KERNEL PEANUTS.—Sound mature kernel peanuts (which term includes sound split kernel peanuts and sound whole kernel peanuts) in an amount equal to the poundage of the peanuts purchased by the handler as additional peanuts, less the total poundage of sound split kernel peanuts described in subclause (I).

''(III) REMAINDER.—The remaining quantity of total kernel content of peanuts purchased by the handler as additional peanuts.

''(ii) DOCUMENTATION.—Handlers shall ensure that any additional peanuts exported or crushed are evidenced by onboard bills of lading or other appropriate documentation as may be required by the Secretary, or both.

''(iii) LOSS OF PEANUTS.—If a handler suffers a loss of peanuts as a result of fire, flood, or any other condition beyond the control of the handler, the portion of the loss allocated to contracted additional peanuts shall not be greater than the portion of the total peanut purchases of the handler for the year attributable to contracted additional peanuts purchased for export or crushing by the handler during the year.

''(iv) SHRINKAGE ALLOWANCE.—

''(I) IN GENERAL.—The obligation of a handler to export or crush peanuts in quantities described in this subparagraph shall be reduced by a shrinkage allowance, to be determined by the Secretary, to reflect actual dollar value shrinkage experienced by handlers in commercial operations, except that the allowance shall not be less than 4 percent, except as provided in subclause (II).

''(II) COMMON INDUSTRY PRACTICES.—The Secretary may provide a lower shrinkage allowance for a handler who fails to comply with restrictions on the use of peanuts, as may be specified by the Commodity Credit Corporation, to take into account common industry practices.

''(3) ADEQUATE FINANCES AND FACILITIES.—A handler shall submit to the Secretary adequate financial guarantees, as well as evidence of adequate facilities and assets, with respect to the facilities under the control and operation of the handler, to ensure the compliance of the handler with the obligation to export peanuts.

''(4) COMMINGLING OF LIKE PEANUTS.—Quota and additional peanuts of like type and segregation or quality may, under regulations issued by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

''(5) PENALTY.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the failure by a handler to comply with regulations issued by the Secretary governing the disposition and handling of additional peanuts shall subject the handler to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts involved in the violation.

''(B) NONDELIVERY.—A handler shall not be subject to a penalty for failure to export additional peanuts if the peanuts were not delivered to the handler.

''(6) REENTRY OF EXPORTED PEANUTS.—

''(A) PENALTY.—If any additional peanuts or peanut products exported by a handler are

reentered into the United States in commercial quantities as determined by the Secretary, the importer of the peanuts and peanut products shall be subject to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts reentered.

''(B) RECORDS.—Each person, firm, or handler who imports peanuts into the United States shall maintain such records and documents as are required by the Secretary to ensure compliance with this subsection.

''(e) SPECIAL EXPORT CREDITS.—

''(1) IN GENERAL.—The Secretary shall, with due regard for the integrity of the peanut program, promulgate regulations that will permit any handler of peanuts who manufactures peanut products from domestic edible peanuts to export the products and receive credit for the fulfillment of export obligations for the peanut content of the products against which export credit the handler may subsequently apply, up to the amount of the credit, equivalent quantities of additional peanuts of the same type acquired by the handler and used in the domestic edible market. The peanuts so acquired for the domestic edible market as provided in this subsection shall be of the same crop year as the peanuts used in the manufacture of the products so exported.

''(2) CERTIFICATION.—Under the regulations, the Secretary shall require all handlers who are peanut product manufacturers to submit annual certifications of peanut product content on a product-by-product basis. Any changes in peanut product formulas as affecting peanut content shall be recorded within 90 days after the changes. The Secretary shall conduct an annual review of the certifications. The Secretary shall pursue all available remedies with respect to persons who fail to comply with this paragraph.

''(3) RECORDS.—The Secretary shall require handlers who are peanut product manufacturers to maintain and provide such documents as are necessary to ensure compliance with this subsection and to maintain the integrity of the peanut program.

''(f) CONTRACTS FOR PURCHASE OF ADDITIONAL PEANUTS.—

''(1) IN GENERAL.—A handler may, under such regulations as the Secretary may issue, contract with a producer for the purchase of additional peanuts for crushing or export, or both.

''(2) SUBMISSION TO SECRETARY.—

''(A) CONTRACT DEADLINE.—Any such contract shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval not later than September 15 of the year in which the crop is produced.

''(B) EXTENSION OF DEADLINE.—The Secretary may extend the deadline under subparagraph (A) by up to 15 days in response to damaging weather or related condition (as defined in section 112 of the Disaster Assistance Act of 1989 (Public Law 101–82; 7 U.S.C. 1421 note)). The Secretary shall announce the extension not later than September 5 of the year in which the crop is produced.

''(3) FORM.—The contract shall be executed on a form prescribed by the Secretary. The form shall require such information as the Secretary determines appropriate to ensure the proper handling of the additional peanuts, including the identity of the contracting parties, poundage and category of the peanuts, the disclosure of any liens, and the intended disposition of the peanuts.

''(4) INFORMATION FOR HANDLING AND PROCESSING ADDITIONAL PEANUTS.—Notwithstanding any other provision of this section, any person wishing to handle and process additional peanuts as a handler shall submit to the Secretary (or if designated by the Secretary, the area marketing association), such information as may be required under subsection (d) by such date as is prescribed by the Secretary so as to permit final action to be taken on the application by July 1 of each marketing year.

''(5) TERMS.—Each such contract shall contain the final price to be paid by the handler for the peanuts involved and a specific prohibition against the disposition of the peanuts for domestic edible or seed use.

''(6) SUSPENSION OF RESTRICTIONS ON IMPORTED PEANUTS.—Notwithstanding any other provision of this Act, if the President issues a proclamation under section 404(b) of the Uruguay Round Agreements Act (19 U.S.C. 3601(b)) expanding the quantity of peanuts subject to the in-quota rate of duty under a tariff-rate quota, or under section 22 of the Agricultural Adjustment Act (7 U.S.C. 624), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, temporarily suspending restrictions on the importation of peanuts, the Secretary shall, subject to such terms and conditions as the Secretary may prescribe, permit a handler, with the written consent of the producer, to purchase additional peanuts from any producer who contracted with the handler and to offer the peanuts for sale for domestic edible use.

''(g) MARKETING OF PEANUTS OWNED OR CONTROLLED BY THE COMMODITY CREDIT CORPORATION.—

''(1) IN GENERAL.—Subject to section 104(k) of the Agricultural Market Transition Act, any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use, in accordance with regulations issued by the Secretary, so long as doing so does not result in substantially increased cost to the Commodity Credit Corporation. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices that are not less than the prices that are required to cover all costs incurred with respect to the peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus—

''(A) not less than 100 percent of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season on delivery by and with the written consent of the producer;

''(B) not less than 105 percent of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year; or

''(C) not less than 107 percent of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year.

''(2) ACCEPTANCE OF BIDS BY AREA MARKETING ASSOCIATIONS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), for the period from the date additional peanuts are delivered for loan to March 1 of the calendar year following the year in which the additional peanuts were harvested, the area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act shall have sole authority to accept or reject lot list bids when the sales price, as determined under this subsection, equals or exceeds the minimum price at which the Commodity Credit Corporation may sell the stocks of additional peanuts of the Corporation.

''(B) MODIFICATION.—The area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by subparagraph (A) to facilitate the orderly marketing of additional peanuts.

''(3) PRODUCER MARKETING AND EXPENSES.—Notwithstanding any other provision of this Act, the Secretary shall, in any determination required under paragraphs (1)(B) and (2)(A) of section 106(a) of the Agricultural Market Transition Act, include any additional marketing expenses required by law, excluding the amount of any assessment required under section 106(a)(7) of the Agricultural Market Transition Act.

''(h) ADMINISTRATION.—

''(1) INTEREST.—The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest on the penalty at a rate per annum equal to the rate per annum of interest that was charged the Commodity Credit Corporation by the Treasury of the United States on the date the penalty became due.

''(2) DE MINIMIS QUANTITY.—This section shall not apply to peanuts produced on any farm on which the acreage harvested for peanuts is 1 acre or less if the producers who share in the peanuts produced on the farm do not share in the peanuts produced on any other farm.

''(3) LIENS.—Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which the penalty is incurred, and on any subsequent crop of peanuts subject to farm poundage quotas in which the person liable for payment of the penalty has an interest, shall be in effect in favor of the United States.

''(4) PENALTIES.—

''(A) PROCEDURES.—Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary may by regulation prescribe. The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Federal Government.

''(B) JUDICIAL REVIEW.—Nothing in this section prohibits any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether the determination was made in conformity with applicable law.

''(C) CIVIL PENALTIES.—All penalties imposed under this section shall for all purposes be considered civil penalties.

''(5) REDUCTION OF PENALTIES.—

''(A) IN GENERAL.—Except as provided in subparagraph (B) and notwithstanding any other provision of law, the Secretary may reduce the amount of any penalty assessed against handlers under this section by any appropriate amount, including, in an appropriate case, eliminating the penalty entirely, if the Secretary finds that the violation on which the penalty is based was minor or inadvertent, and that the reduction of the penalty will not impair the operation of the peanut program.

''(B) FAILURE TO EXPORT CONTRACTED ADDITIONAL PEANUTS.—The amount of any penalty imposed on a handler under this section that resulted from the failure to export or crush contracted additional peanuts shall not be reduced by the Secretary.

''(i) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.''.

(f) EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.—Section 358c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358c) is amended to read as follows:

**''SEC. 358c. EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.**

''(a) IN GENERAL.—Notwithstanding any other provision of this Act, the Secretary may permit a portion of the poundage quota

for peanuts apportioned to any State to be allocated from the quota reserve of the State to land-grant institutions identified in the Act of May 8, 1914 (38 Stat. 372, chapter 79; 7 U.S.C. 341 et seq.), and colleges eligible to receive funds under the Act of August 30, 1890 (26 Stat. 419, chapter 841; 7 U.S.C. 321 et seq.), including Tuskegee Institute and, as appropriate, the Agricultural Research Service of the Department of Agriculture to be used for experimental and research purposes.

''(b) QUANTITY.—The quantity of the quota allocated to an institution under this section shall not exceed the quantity of the quota held by each such institution during the 1985 crop year, except that the total quantity allocated to all institutions in a State shall not exceed 1/10 of 1 percent of the basic quota of the State.

''(c) LIMITATION.—The director of the agricultural experiment station for a State shall be required to ensure, to the extent practicable, that farm operators in the State do not produce quota peanuts under subsection (a) in excess of the quantity needed for experimental and research purposes.

''(d) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.''.

(g) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before ''all brokers and dealers in peanuts'' the following: ''all producers engaged in the production of peanuts,''.

(h) REGULATIONS.—The Secretary of Agriculture shall issue such regulations as are necessary to carry out this section and the amendments made by this section. In issuing the regulations, the Secretary shall—

(1) comply with subchapter II of chapter 5 of title 5, United States Code;

(2) provide public notice through the Federal Register of any such proposed regulations; and

(3) allow adequate time for written public comment prior to the formulation and issuance of any final regulations.

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AMENDMENT NO. 3340

Strike the section relating to the peanut program and insert the following:

**SEC. 106. PEANUT PROGRAM.**

(a) PRICE SUPPORT PROGRAM.—

(1) QUOTA PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, and other operations on quota peanuts for each of the 1996 through 2002 crops.

(B) SUPPORT RATES.—

(i) IN GENERAL.—Subject to clause (ii), the national average quota support rate for each of the 1996 through 2002 crops of quota peanuts shall be the national average quota support rate for the immediately preceding crop, adjusted to reflect any increase or decrease, during the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any change in the cost of land and the cost of any assessments required under paragraph (7).

(ii) MAXIMUM RATE.—In no event shall the national average quota support rate for any such crop be increased or decreased by more than 5 percent of the national average quota support rate for the preceding crop.

(C) INSPECTION, HANDLING, OR STORAGE.—The level of support determined under subparagraph (B) shall not be reduced by any deduction for inspection, handling, or storage.

(D) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 104(i).

(E) ANNOUNCEMENT.—The Secretary shall announce the level of support for quota peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

(2) ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1996 through 2002 crops at such levels as the Secretary considers appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, except that the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(B) ANNOUNCEMENT.—The Secretary shall announce the level of support for additional peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

(3) AREA MARKETING ASSOCIATIONS.—

(A) WAREHOUSE STORAGE LOANS.—

(i) IN GENERAL.—In carrying out paragraphs (1) and (2), the Secretary shall make warehouse storage loans available in each of the 3 producing areas described in section 1446.95 of title 7, Code of Federal Regulations (as of January 1, 1989), to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this subsection and sections 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(ii) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—The area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this subsection and sections 358e of the Agricultural Adjustment Act of 1938.

(iii) ASSOCIATION COSTS.—Loans made to an area marketing association under this subparagraph shall include, in addition to the price support value of the peanuts, such costs as the association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this subsection and sections 358e of the Agricultural Adjustment Act of 1938.

(B) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(i) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Peanuts produced outside New Mexico shall not be eligible for entry into or participation in the separate pools established for Valencia peanuts produced in New Mexico. Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(ii) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(I) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool plus an amount from all additional pool gains equal to any loss on disposition of all peanuts in the pool for quota peanuts.

(II) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in subclause (I).

(4) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(A) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(2)(B)(v) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)).

(B) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(C) ADDITIONAL PEANUT GAINS.—Further losses in an area quota pool shall be offset by gains or profits attributable to sales of additional peanuts in that area for domestic edible and other uses.

(D) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under paragraph (7) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under paragraph (7) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(E) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(2)(B)(v) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)), shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(F) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under paragraph (7) by such an amount as the Secretary considers necessary to cover the losses. Amounts collected under paragraph (7) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

(5) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no price support may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)).

(6) QUALITY IMPROVEMENT.—

(A) PRICE SUPPORT PEANUTS.—With respect to peanuts under price support loan, the Secretary shall—

(i) promote the crushing of peanuts at a greater risk of deterioration before peanuts at a lesser risk of deterioration;

(ii) ensure that all Commodity Credit Corporation loan stocks of peanuts sold for domestic edible use are shown to have been officially inspected by licensed Department of Agriculture inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(iii) continue to endeavor to operate the peanut price support program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(iv) ensure that any changes made in the price support program as a result of this paragraph requiring additional production or handling at the farm level are reflected as an upward adjustment in the Department of Agriculture loan schedule.

(B) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts, including peanuts imported into the United States, meet all United States quality standards under Marketing Agreement No. 146 and that importers of the peanuts fully comply with inspection, handling, storage, and processing requirements implemented under Marketing Agreement No. 146. The Secretary shall ensure that peanuts produced for the export market meet quality, inspection, handling, storage, and processing requirements under Marketing Agreement No. 146.

(7) MARKETING ASSESSMENT.—

(A) IN GENERAL.—The Secretary shall provide, by regulation, for a nonrefundable marketing assessment applicable to each of the 1996 through 2002 crops of peanuts. The assessment shall be made in accordance with this paragraph and shall be on a per pound basis in an amount equal to 1.2 percent of the national average quota or additional peanut support rate per pound, as applicable, for the applicable crop. No peanuts shall be assessed more than 1.2 percent of the applicable support rate under this paragraph.

(B) FIRST PURCHASERS.—

(i) IN GENERAL.—Except as provided under subparagraphs (C) and (D), the first purchaser of peanuts shall—

(I) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by .65 percent of the applicable national average support rate;

(II) pay, in addition to the amount collected under subclause (I), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average support rate; and

(III) remit the amounts required under subclauses (I) and (II) to the Commodity Credit Corporation in a manner specified by the Secretary.

(ii) IMPORTED PEANUTS.—In the case of imported peanuts, the first purchaser shall pay to the Commodity Credit Corporation, in a manner specified by the Secretary, a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by 1.2 percent of the national average support rate for additional peanuts.

(iii) DEFINITION.—In this paragraph, the term 'first purchaser' means a person acquiring peanuts from a producer, except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

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

(D) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a price support loan made under this subsection, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For the purposes of computing net gains on peanuts under this subsection, the reduction in loan proceeds shall be treated as having been paid to the producer.

(E) PENALTIES.—If any person fails to collect or remit the reduction required by this paragraph or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this paragraph, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(i) the quantity of peanuts involved in the violation; by

(ii) the national average quota peanut price support level for the applicable crop year.

(F) ENFORCEMENT.—The Secretary may enforce this paragraph in the courts of the United States.

(8) CROPS.—Notwithstanding any other provision of law, this subsection shall be effective only for the 1996 through 2002 crops of peanuts.

(b) SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS.—Section 371 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371) shall not be applicable to the 1996 through 2002 crops of peanuts.

(c) NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS.—Section 358–1 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1) is amended to read as follows:

**"SEC. 358–1. NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.**

"(a) NATIONAL POUNDAGE QUOTAS.—

"(1) ESTABLISHMENT.—The national poundage quota for peanuts for each of the 1996 through 2002 marketing years shall be established by the Secretary at a level that is equal to the quantity of peanuts (in tons) that the Secretary estimates will be devoted in each such marketing year to domestic edible and related uses, excluding seed. The Secretary shall include in the annual estimate of domestic edible and related uses, the estimated quantity of peanuts and peanut products to be imported into the United States for the marketing year for which the quota is being established.

"(2) ANNOUNCEMENT.—The national poundage quota for a marketing year shall be announced by the Secretary not later than the December 15 preceding the marketing year.

"(3) APPORTIONMENT AMONG STATES.—The national poundage quota established under paragraph (1) shall be apportioned among the States so that the poundage quota allocated to each State is equal to the percentage of the national poundage quota allocated to farms in the State for 1995.

"(b) FARM POUNDAGE QUOTAS.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—A farm poundage quota for each of the 1996 through 2002 marketing years shall be established—

"(i) for each farm that had a farm poundage quota for peanuts for the 1995 marketing year;

"(ii) if the poundage quota apportioned to a State under subsection (a)(3) for any such marketing year is larger than the quota for the immediately preceding marketing year, for each other farm on which peanuts were produced for marketing in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary; and

"(iii) as approved and determined by the Secretary under section 358c, for each farm on which peanuts are produced in connection with experimental and research programs.

"(B) QUANTITY.—

"(i) IN GENERAL.—The farm poundage quota for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(i) shall be the same as the farm poundage quota for the farm for the immediately preceding marketing year, as adjusted under paragraph (2), but not including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

"(ii) INCREASED QUOTA.—The farm poundage quota, if any, for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(ii) shall be equal to the quantity of peanuts allocated to the farm for the year under paragraph (2).

"(C) TRANSFERS.—For purposes of this subsection, if the farm poundage quota, or any part of the quota, is permanently transferred in accordance with section 358b, the receiving farm shall be considered as possessing the farm poundage quota (or portion of the quota) of the transferring farm for all subsequent marketing years.

"(2) ADJUSTMENTS.—

"(A) ALLOCATION OF INCREASED QUOTA GENERALLY.—Subject to subparagraphs (B) and (D), if the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is increased over the poundage quota apportioned to farms in the State for the immediately preceding marketing year, the increase shall be allocated proportionately, based on farm production history for peanuts for the 3 immediately preceding years, among—

"(i) all farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made; and

"(ii) all other farms in the State on which peanuts were produced in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary.

"(B) TEMPORARY QUOTA ALLOCATION.—

"(i) IN GENERAL.—Subject to clause (iv), temporary allocation of a poundage quota for the marketing year in which a crop of peanuts is planted shall be made to producers for each of the 1996 through 2002 marketing years in accordance with this subparagraph.

"(ii) QUANTITY.—The temporary quota allocation shall be equal to the quantity of seed peanuts (in pounds) planted on a farm, as determined in accordance with regulations issued by the Secretary.

"(iii) ALLOCATION.—The allocation of quota pounds to producers under this subparagraph shall be performed in such a manner as will not result in a net decrease in quota pounds on a farm in excess of 3 percent, after the temporary seed quota is added, from the basic farm quota for the 1995 marketing year. A decrease shall occur only once, shall be applicable only to the 1996 marketing year.

"(iv) NO INCREASED COSTS.—The Secretary may carry out this subparagraph only if this subparagraph does not result in—

"(I) an increased cost to the Commodity Credit Corporation through displacement of quota peanuts by additional peanuts in the domestic market;

"(II) an increased loss in a loan pool of an area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act; or

"(III) other increased costs.

"(v) TRANSFER OF ADDITIONAL PEANUTS.—

"(I) IN GENERAL.—Except as provided in subclause (II), additional peanuts on a farm

from which the quota poundage was not harvested and marketed may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall provide by regulation.

''(II) LIMITATIONS.—The poundage of peanuts transferred under subclause (I) shall not exceed 25 percent of the total farm poundage quota, excluding pounds transferred in the fall.

''(III) SUPPORT RATE.—Peanuts transferred under this clause shall be supported at a rate of 70 percent of the quota support rate for the marketing years during which the transfers occur.

''(vi) USE OF QUOTA AND ADDITIONAL PEANUTS.—Nothing in this subparagraph affects the requirements of section 358b(b).

''(vii) ADDITIONAL ALLOCATION.—The temporary allocation of quota pounds under this subparagraph shall be in addition to the farm poundage quota established under this subsection and shall be credited to the producers of the peanuts on the farm in accordance with regulations issued by the Secretary.

''(C) DECREASE.—If the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is decreased from the poundage quota apportioned to farms in the State under subsection (a)(3) for the immediately preceding marketing year, the decrease shall be allocated among all the farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made.

''(D) SPECIAL RULE ON TENANT'S SHARE OF INCREASED QUOTA.—Subject to terms and conditions prescribed by the Secretary, on farms that were leased to a tenant for peanut production, the tenant shall share equally with the owner of the farm in the percentage of the quota made available under subparagraph (A) and otherwise allocated to the farm as the result of the production of the tenant on the farm of additional peanuts. Not later than April 1 of each year or as soon as practicable during the year, the share of the tenant of any such quota shall be allocated to a farm within the county owned by the tenant or sold by the tenant to the owner of any farm within the county and permanently transferred to the farm. Any quota not so disposed of as provided in this subparagraph shall be allocated to other quota farms in the State under paragraph (6) as part of the quota reduced from farms in the State due to the failure to produce the quota.

''(3) QUOTA NOT PRODUCED.—

''(A) IN GENERAL.—Insofar as practicable and on such fair and equitable basis as the Secretary may by regulation prescribe, the farm poundage quota established for a farm for any of the 1996 through 2002 marketing years shall be reduced to the extent that the Secretary determines that the farm poundage quota established for the farm for any 2 of the 3 marketing years preceding the marketing year for which the determination is being made was not produced, or considered produced, on the farm.

''(B) EXCLUSIONS.—For the purposes of this paragraph, the farm poundage quota for any such preceding marketing year shall not include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

''(4) QUOTA CONSIDERED PRODUCED.—

''(A) IN GENERAL.—For purposes of this subsection, subject to subparagraph (B), the farm poundage quota shall be considered produced on a farm if—

''(i) the farm poundage quota was not produced on the farm because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, as determined by the Secretary;

''(ii) the farm poundage quota for the farm was released voluntarily under paragraph (7) for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; or

''(iii) the farm poundage quota was leased to another owner or operator of a farm within the same county for transfer to the farm for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made.

''(B) MARKETING YEARS.—For purposes of clauses (ii) and (iii) of subparagraph (A)—

''(i) the farm poundage quota leased or transferred shall be considered produced for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; and

''(ii) the farm shall not be considered to have produced for more than 1 marketing year out of the 3 immediately preceding marketing years.

''(5) QUOTA PERMANENTLY RELEASED.—Notwithstanding any other provision of law—

''(A) the farm poundage quota established for a farm under this subsection, or any part of the quota, may be permanently released by the owner of the farm, or the operator with the permission of the owner; and

''(B) the poundage quota for the farm for which the quota is released shall be adjusted downward to reflect the quota that is released.

''(6) ALLOCATION OF QUOTAS REDUCED OR RELEASED.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the total quantity of the farm poundage quotas reduced or voluntarily released from farms in a State for any marketing year under paragraphs (3) and (5) shall be allocated, as the Secretary may by regulation prescribe, to other farms in the State on which peanuts were produced in at least 2 of the 3 crop years immediately preceding the year for which the allocation is being made.

''(B) SET-ASIDE FOR FARMS WITH NO QUOTA.—The total amount of farm poundage quota to be allocated in the State under subparagraph (A) shall be allocated to farms in the State for which no farm poundage quota was established for the crop of the immediately preceding year. The allocation to any such farm shall not exceed the average farm production of peanuts for the 3 immediately preceding years during which peanuts were produced on the farm. Any farm poundage quota remaining after allocation to farms under this subparagraph shall be allocated to farms in the State on which poundage quotas were established for the crop of the immediately preceding year.

''(7) QUOTA TEMPORARILY RELEASED.—

''(A) IN GENERAL.—The farm poundage quota, or any portion of the quota, established for a farm for a marketing year may be voluntarily released to the Secretary to the extent that the quota, or any part of the quota, will not be produced on the farm for the marketing year. Any farm poundage quota so released in a State shall be allocated to other farms in the State on such basis as the Secretary may by regulation prescribe.

''(B) EFFECTIVE PERIOD.—Except as otherwise provided in this section, any adjustment in the farm poundage quota for a farm under subparagraph (A) shall be effective only for the marketing year for which the adjustment is made and shall not be taken into consideration in establishing a farm poundage quota for the farm from which the quota was released for any subsequent marketing year.

''(c) FARM YIELDS.—

''(1) IN GENERAL.—For each farm for which a farm poundage quota is established under subsection (b), and when necessary for purposes of this Act, a farm yield of peanuts shall be determined for each such farm.

''(2) QUANTITY.—The yield shall be equal to the average of the actual yield per acre on the farm for each of the 3 crop years in which yields were highest on the farm during the 5-year period consisting of the 1973 through 1977 crop years.

''(3) APPRAISED YIELDS.—If peanuts were not produced on the farm in at least 3 years during the 5-year period or there was a substantial change in the operation of the farm during the period (including a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that quantity determined to be fair and reasonable on the basis of yields established for similar farms that are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

''(d) REFERENDUM RESPECTING POUNDAGE QUOTAS.—

''(1) IN GENERAL.—Not later than December 15 of each calendar year, the Secretary shall conduct a referendum of producers engaged in the production of quota peanuts in the calendar year in which the referendum is held to determine whether the producers are in favor of or opposed to poundage quotas with respect to the crops of peanuts produced in the 5 calendar years immediately following the year in which the referendum is held, except that, if at least ⅔ of the producers voting in any referendum vote in favor of poundage quotas, no referendum shall be held with respect to quotas for the remaining years of the 5-calendar year period.

''(2) PROCLAMATION.—The Secretary shall proclaim the result of the referendum within 30 days after the date on which the referendum is held.

''(3) VOTE AGAINST QUOTAS.—If more than ⅓ of the producers voting in the referendum vote against poundage quotas, the Secretary shall proclaim that poundage quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held.

''(e) DEFINITIONS.—In this part and the Agricultural Market Transition Act:

''(1) ADDITIONAL PEANUTS.—The term 'additional peanuts' means, for any marketing year—

''(A) any peanuts that are marketed from a farm for which a farm poundage quota has been established and that are in excess of the marketings of quota peanuts from the farm for the year; and

''(B) all peanuts marketed from a farm for which no farm poundage quota has been established in accordance with subsection (b).

''(2) CRUSH.—The term 'crush' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary.

''(3) DOMESTIC EDIBLE USE.—The term 'domestic edible use' means use for milling to produce domestic food peanuts (other than a use described in paragraph (2)) and seed and use on a farm, except that the Secretary may exempt from this paragraph seeds of peanuts that are used to produce peanuts excluded under section 301(b)(18), are unique strains, and are not commercially available.

''(4) QUOTA PEANUTS.—The term 'quota peanuts' means, for any marketing year, any peanuts produced on a farm having a farm

poundage quota, as determined under subsection (b), that—

''(A) are eligible for domestic edible use as determined by the Secretary;

''(B) are marketed or considered marketed from a farm; and

''(C) do not exceed the farm poundage quota of the farm for the year.

''(f) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.''.

(d) SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.—Section 358b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b) is amended to read as follows:

**''SEC. 358b. SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA FOR 1996 THROUGH 2000 CROPS OF PEANUTS.**

''(a) IN GENERAL.—

''(1) AUTHORITY.—

''(A) IN GENERAL.—Subject to such terms, conditions, or limitations as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm poundage quota has been established under this Act may sell or lease all or any part of the poundage quota to any other owner or operator of a farm within the same county for transfer to the farm, except that any such lease of poundage quota may be entered into in the fall or after the normal planting season—

''(i) if not less than 90 percent of the basic quota (consisting of the farm quota and temporary quota transfers), plus any poundage quota transferred to the farm under this subsection, has been planted or considered planted on the farm from which the quota is to be leased; and

''(ii) under such terms and conditions as the Secretary may by regulation prescribe.

''(B) FALL TRANSFERS.—

''(i) NO TRANSFER AUTHORIZATION.—In the case of a fall transfer or a transfer after the normal planting season by a cash lessee, the landowner shall not be required to sign the transfer authorization.

''(ii) TIME LIMITATION.—A fall transfer or a transfer after the normal planting season may be made not later than 72 hours after the peanuts that are the subject of the transfer are inspected and graded.

''(iii) LESSEES.—In the case of a fall transfer, poundage quota from a farm may be leased to an owner or operator of another farm within the same county or to an owner or operator of another farm in any other county within the State.

''(iv) EFFECT OF TRANSFER.—A fall transfer of poundage quota shall not affect the farm quota history for the transferring or receiving farm and shall not result in the reduction of the farm poundage quota on the transferring farm.

''(2) TRANSFERS TO OTHER SELF-OWNED FARMS.—The owner or operator of a farm may transfer all or any part of the farm poundage quota for the farm to any other farm owned or controlled by the owner or operator that is in the same State and that had a farm poundage quota for the crop of the preceding year, if both the transferring and receiving farms were under the control of the owner or operator for at least 3 crop years prior to the crop year in which the farm poundage quota is to be transferred. Any farm poundage quota transferred under this paragraph shall not result in any reduction in the farm poundage quota for the transferring farm if sufficient acreage is planted on the receiving farm to produce the quota pounds transferred.

''(3) TRANSFERS WITHIN STATES WITH SMALL QUOTAS.—In the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota may be transferred by sale or lease or otherwise from a farm in 1 county to a farm in another county in the same State.

''(4) TRANSFERS BETWEEN STATES HAVING QUOTAS OF LESS THAN 10,000 TONS.—Notwithstanding paragraphs (1) through (3), in the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota up to 1,000 tons may be transferred by sale or lease from a farm in 1 such State to a farm in another such State.

''(5) TRANSFERS BY SALE IN STATES HAVING QUOTAS OF 10,000 TONS OR MORE.—

''(A) IN GENERAL.—Subject to the other provisions of this paragraph and such terms and conditions as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm quota has been established under this Act in a State having a poundage quota of 10,000 tons or more may sell poundage quota to any other eligible owner or operator of a farm within the same State.

''(B) LIMITATIONS BASED ON TOTAL POUNDAGE QUOTA.—

''(i) 1996 MARKETING YEAR.—Not more than 15 percent of the total poundage quota within a county as of January 1, 1996, may be sold and transferred under this paragraph during the 1996 marketing year.

''(ii) 1997–2002 MARKETING YEARS.—

''(I) IN GENERAL.—Except as provided in subclause (II), not more than 5 percent of the quota pounds remaining in a county as of January 1, 1997, and each January 1 thereafter through January 1, 2002, may be sold and transferred under this paragraph during the applicable marketing year.

''(II) CARRYOVER.—Any eligible quota that is not sold or transferred under clause (i) shall be eligible for sale or transfer under subclause (I).

''(C) COUNTY LIMITATION.—Not more than 40 percent of the total poundage quota within a county may be sold and transferred under this paragraph.

''(D) SUBSEQUENT LEASES OR SALES.—Quota pounds sold and transferred to a farm under this paragraph may not be leased or sold by the farm to another owner or operator of a farm within the same State for a period of 5 years following the date of the original transfer to the farm.

''(E) APPLICATION.—This paragraph shall not apply to a sale within the same county or to any sale, lease, or transfer described in paragraph (1).

''(b) CONDITIONS.—Transfers (including transfer by sale or lease) of farm poundage quotas under this section shall be subject to all of the following conditions:

''(1) LIENHOLDERS.—No transfer of the farm poundage quota from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders.

''(2) TILLABLE CROPLAND.—No transfer of the farm poundage quota shall be permitted if the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) determines that the receiving farm does not have adequate tillable cropland to produce the farm poundage quota.

''(3) RECORD.—No transfer of the farm poundage quota shall be effective until a record of the transfer is filed with the county committee of each county to, and from, which the transfer is made and each committee determines that the transfer complies with this section.

''(4) OTHER TERMS.—The Secretary may establish by regulation other terms and conditions.

''(c) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2000 crops of peanuts.''.

(e) MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS.—Section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a) is amended to read as follows:

**''SEC. 358e. MARKETING PENALTIES AND DISPOSITION OF ADDITIONAL PEANUTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.**

''(a) MARKETING PENALTIES.—

''(1) IN GENERAL.—

''(A) MARKETING PEANUTS IN EXCESS OF QUOTA.—The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which the peanuts are produced shall be subject to a penalty at a rate equal to 140 percent of the support price for quota peanuts for the marketing year in which the marketing occurs. The penalty shall not apply to the marketing of breeder or Foundation seed peanuts grown and marketed by a publicly owned agricultural experiment station (including a State operated seed organization) under such regulations as the Secretary may prescribe.

''(B) MARKETING YEAR.—For purposes of this section, the marketing year for peanuts shall be the 12-month period beginning August 1 and ending July 31.

''(C) MARKETING ADDITIONAL PEANUTS.—The marketing of any additional peanuts from a farm shall be subject to the same penalty as the penalty prescribed in subparagraph (A) unless the peanuts, in accordance with regulations established by the Secretary, are—

''(i) placed under loan at the additional loan rate in effect for the peanuts under section 106 of the Agricultural Market Transition Act and not redeemed by the producers;

''(ii) marketed through an area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act; or

''(iii) marketed under contracts between handlers and producers pursuant to subsection (f).

''(2) PAYER.—The penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer or, if the peanuts are marketed by the producer through an agent, the penalty shall be paid by the agent. The person or agent may deduct an amount equivalent to the penalty from the price paid to the producer.

''(3) FAILURE TO COLLECT.—If the person required to collect the penalty fails to collect the penalty, the person and all persons entitled to share in the peanuts marketed from the farm or the proceeds of the marketing shall be jointly and severally liable with the persons who failed to collect the penalty for the amount of the penalty.

''(4) APPLICATION OF QUOTA.—Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning in the calendar year shall be subject to the quotas even though the peanuts are marketed prior to the date on which the marketing year begins.

''(5) FALSE INFORMATION.—If any producer falsely identifies, fails to accurately certify planted acres, or fails to account for the disposition of any peanuts produced on the planted acres, a quantity of peanuts equal to the greater of the average or actual yield of the farm, as determined by the Secretary, multiplied by the number of planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts. Any penalty payable under this paragraph shall be paid and remitted by the producer.

''(6) UNINTENTIONAL VIOLATIONS.—The Secretary shall authorize, under such regulations as the Secretary shall issue, the county

committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or reduce marketing penalties provided for under this subsection in cases with respect to which the committees determine that the violations that were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned.

''(7) DE MINIMIS VIOLATIONS.—An error in weight that does not exceed 1/10 of 1 percent in the case of any 1 marketing document shall not be considered to be a marketing violation except in a case of fraud or conspiracy.

''(b) USE OF QUOTA AND ADDITIONAL PEANUTS.—

''(1) QUOTA PEANUTS.—Only quota peanuts may be retained for use as seed or for other uses on a farm. When peanuts are so retained, the retention shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts for the quantity involved that are used to produce peanuts excluded under section 301(b)(18), are unique strains, and are not commercially available.

''(2) ADDITIONAL PEANUTS.—Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use, except as provided in subsection (g).

''(3) SEED.—Except as provided in paragraph (1), seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

''(c) MARKETING PEANUTS WITH EXCESS QUANTITY, GRADE, OR QUALITY.—On a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by the handler from the crop for the marketing year, the handler shall be subject to a penalty equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts that the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

''(d) HANDLING AND DISPOSAL OF ADDITIONAL PEANUTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act.

''(2) NONSUPERVISION OF HANDLERS.—

''(A) IN GENERAL.—Supervision of the handling and disposal of additional peanuts by a handler shall not be required under paragraph (1) if the handler agrees in writing, prior to any handling or disposal of the peanuts, to comply with regulations that the Secretary shall issue.

''(B) REGULATIONS.—The regulations issued by the Secretary under subparagraph (A) shall include the following provisions:

''(i) TYPES OF EXPORTED OR CRUSHED PEANUTS.—Handlers of shelled or milled peanuts may export or crush peanuts classified by type in each of the following quantities:

''(I) SOUND SPLIT KERNEL PEANUTS.—Sound split kernel peanuts purchased by the handler as additional peanuts to which, under price support loan schedules, a mandated deduction with respect to the price paid to the producer of the peanuts would be applied due to the percentage of the sound splits.

''(II) SOUND MATURE KERNEL PEANUTS.—Sound mature kernel peanuts (which term includes sound split kernel peanuts and sound whole kernel peanuts) in an amount equal to the poundage of the peanuts purchased by the handler as additional peanuts, less the total poundage of sound split kernel peanuts described in subclause (I).

''(III) REMAINDER.—The remaining quantity of total kernel content of peanuts purchased by the handler as additional peanuts.

''(ii) DOCUMENTATION.—Handlers shall ensure that any additional peanuts exported or crushed are evidenced by onboard bills of lading or other appropriate documentation as may be required by the Secretary, or both.

''(iii) LOSS OF PEANUTS.—If a handler suffers a loss of peanuts as a result of fire, flood, or any other condition beyond the control of the handler, the portion of the loss allocated to contracted additional peanuts shall not be greater than the portion of the total peanut purchases of the handler for the year attributable to contracted additional peanuts purchased for export or crushing by the handler during the year.

''(iv) SHRINKAGE ALLOWANCE.—

''(I) IN GENERAL.—The obligation of a handler to export or crush peanuts in quantities described in this subparagraph shall be reduced by a shrinkage allowance, to be determined by the Secretary, to reflect actual dollar value shrinkage experienced by handlers in commercial operations, except that the allowance shall not be less than 4 percent, except as provided in subclause (II).

''(II) COMMON INDUSTRY PRACTICES.—The Secretary may provide a lower shrinkage allowance for a handler who fails to comply with restrictions on the use of peanuts, as may be specified by the Commodity Credit Corporation, to take into account common industry practices.

''(3) ADEQUATE FINANCES AND FACILITIES.—A handler shall submit to the Secretary adequate financial guarantees, as well as evidence of adequate facilities and assets, with respect to the facilities under the control and operation of the handler, to ensure the compliance of the handler with the obligation to export peanuts.

''(4) COMMINGLING OF LIKE PEANUTS.—Quota and additional peanuts of like type and segregation or quality may, under regulations issued by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

''(5) PENALTY.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the failure by a handler to comply with regulations issued by the Secretary governing the disposition and handling of additional peanuts shall subject the handler to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts involved in the violation.

''(B) NONDELIVERY.—A handler shall not be subject to a penalty for failure to export additional peanuts if the peanuts were not delivered to the handler.

''(6) REENTRY OF EXPORTED PEANUTS.—

''(A) PENALTY.—If any additional peanuts or peanut products exported by a handler are reentered into the United States in commercial quantities as determined by the Secretary, the importer of the peanuts and peanut products shall be subject to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts reentered.

''(B) RECORDS.—Each person, firm, or handler who imports peanuts into the United States shall maintain such records and documents as are required by the Secretary to ensure compliance with this subsection.

''(e) SPECIAL EXPORT CREDITS.—

''(1) IN GENERAL.—The Secretary shall, with due regard for the integrity of the peanut program, promulgate regulations that will permit any handler of peanuts who manufactures peanut products from domestic edible peanuts to export the products and receive credit for the fulfillment of export obligations for the peanut content of the products against which export credit the handler may subsequently apply, up to the amount of the credit, equivalent quantities of additional peanuts of the same type acquired by the handler and used in the domestic edible market. The peanuts so acquired for the domestic edible market as provided in this subsection shall be of the same crop year as the peanuts used in the manufacture of the products so exported.

''(2) CERTIFICATION.—Under the regulations, the Secretary shall require all handlers who are peanut product manufacturers to submit annual certifications of peanut product content on a product-by-product basis. Any changes in peanut product formulas as affecting peanut content shall be recorded within 90 days after the changes. The Secretary shall conduct an annual review of the certifications. The Secretary shall pursue all available remedies with respect to persons who fail to comply with this paragraph.

''(3) RECORDS.—The Secretary shall require handlers who are peanut product manufacturers to maintain and provide such documents as are necessary to ensure compliance with this subsection and to maintain the integrity of the peanut program.

''(f) CONTRACTS FOR PURCHASE OF ADDITIONAL PEANUTS.—

''(1) IN GENERAL.—A handler may, under such regulations as the Secretary may issue, contract with a producer for the purchase of additional peanuts for crushing or export, or both.

''(2) SUBMISSION TO SECRETARY.—

''(A) CONTRACT DEADLINE.—Any such contract shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval not later than September 15 of the year in which the crop is produced.

''(B) EXTENSION OF DEADLINE.—The Secretary may extend the deadline under subparagraph (A) by up to 15 days in response to damaging weather or related condition (as defined in section 112 of the Disaster Assistance Act of 1989 (Public Law 101–82; 7 U.S.C. 1421 note)). The Secretary shall announce the extension not later than September 5 of the year in which the crop is produced.

''(3) FORM.—The contract shall be executed on a form prescribed by the Secretary. The form shall require such information as the Secretary determines appropriate to ensure the proper handling of the additional peanuts, including the identity of the contracting parties, poundage and category of the peanuts, the disclosure of any liens, and the intended disposition of the peanuts.

''(4) INFORMATION FOR HANDLING AND PROCESSING ADDITIONAL PEANUTS.—Notwithstanding any other provision of this section, any person wishing to handle and process additional peanuts as a handler shall submit to the Secretary (or if designated by the Secretary, the area marketing association), such information as may be required under subsection (d) by such date as is prescribed by the Secretary so as to permit final action to be taken on the application by July 1 of each marketing year.

''(5) TERMS.—Each such contract shall contain the final price to be paid by the handler for the peanuts involved and a specific prohibition against the disposition of the peanuts for domestic edible or seed use.

''(6) SUSPENSION OF RESTRICTIONS ON IMPORTED PEANUTS.—Notwithstanding any other provision of this Act, if the President issues a proclamation under section 404(b) of

the Uruguay Round Agreements Act (19 U.S.C. 3601(b)) expanding the quantity of peanuts subject to the in-quota rate of duty under a tariff-rate quota, or under section 22 of the Agricultural Adjustment Act (7 U.S.C. 624), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, temporarily suspending restrictions on the importation of peanuts, the Secretary shall, subject to such terms and conditions as the Secretary may prescribe, permit a handler, with the written consent of the producer, to purchase additional peanuts from any producer who contracted with the handler and to offer the peanuts for sale for domestic edible use.

''(g) MARKETING OF PEANUTS OWNED OR CONTROLLED BY THE COMMODITY CREDIT CORPORATION.—

''(1) IN GENERAL.—Subject to section 104(k) of the Agricultural Market Transition Act, any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use, in accordance with regulations issued by the Secretary, so long as doing so does not result in substantially increased cost to the Commodity Credit Corporation. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices that are not less than the prices that are required to cover all costs incurred with respect to the peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus—

''(A) not less than 100 percent of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season on delivery by and with the written consent of the producer;

''(B) not less than 105 percent of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year; or

''(C) not less than 107 percent of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year.

''(2) ACCEPTANCE OF BIDS BY AREA MARKETING ASSOCIATIONS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), for the period from the date additional peanuts are delivered for loan to March 1 of the calendar year following the year in which the additional peanuts were harvested, the area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act shall have sole authority to accept or reject lot list bids when the sales price, as determined under this subsection, equals or exceeds the minimum price at which the Commodity Credit Corporation may sell the stocks of additional peanuts of the Corporation.

''(B) MODIFICATION.—The area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by subparagraph (A) to facilitate the orderly marketing of additional peanuts.

''(3) PRODUCER MARKETING AND EXPENSES.—Notwithstanding any other provision of this Act, the Secretary shall, in any determination required under paragraphs (1)(B) and (2)(A) of section 106(a) of the Agricultural Market Transition Act, include any additional marketing expenses required by law, excluding the amount of any assessment required under section 106(a)(7) of the Agricultural Market Transition Act.

''(h) ADMINISTRATION.—

''(1) INTEREST.—The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest on the penalty at a rate per annum equal to the rate per annum of interest that was charged the Commodity Credit Corporation by the Treasury of the United States on the date the penalty became due.

''(2) DE MINIMIS QUANTITY.—This section shall not apply to peanuts produced on any farm on which the acreage harvested for peanuts is 1 acre or less if the producers who share in the peanuts produced on the farm do not share in the peanuts produced on any other farm.

''(3) LIENS.—Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which the penalty is incurred, and on any subsequent crop of peanuts subject to farm poundage quotas in which the person liable for payment of the penalty has an interest, shall be in effect in favor of the United States.

''(4) PENALTIES.—

''(A) PROCEDURES.—Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary may by regulation prescribe. The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Federal Government.

''(B) JUDICIAL REVIEW.—Nothing in this section prohibits any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether the determination was made in conformity with applicable law.

''(C) CIVIL PENALTIES.—All penalties imposed under this section shall for all purposes be considered civil penalties.

''(5) REDUCTION OF PENALTIES.—

''(A) IN GENERAL.—Except as provided in subparagraph (B) and notwithstanding any other provision of law, the Secretary may reduce the amount of any penalty assessed against handlers under this section by any appropriate amount, including, in an appropriate case, eliminating the penalty entirely, if the Secretary finds that the violation on which the penalty is based was minor or inadvertent, and that the reduction of the penalty will not impair the operation of the peanut program.

''(B) FAILURE TO EXPORT CONTRACTED ADDITIONAL PEANUTS.—The amount of any penalty imposed on a handler under this section that resulted from the failure to export or crush contracted additional peanuts shall not be reduced by the Secretary.

''(i) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.''.

(f) EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.—Section 358c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358c) is amended to read as follows:

**''SEC. 358c. EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.**

''(a) IN GENERAL.—Notwithstanding any other provision of this Act, the Secretary may permit a portion of the poundage quota for peanuts apportioned to any State to be allocated from the quota reserve of the State to land-grant institutions identified in the Act of May 8, 1914 (38 Stat. 372, chapter 79; 7 U.S.C. 341 et seq.), and colleges eligible to receive funds under the Act of August 30, 1890 (26 Stat. 419, chapter 841; 7 U.S.C. 321 et seq.), including Tuskegee Institute and, as appropriate, the Agricultural Research Service of the Department of Agriculture to be used for experimental and research purposes.

''(b) QUANTITY.—The quantity of the quota allocated to an institution under this section shall not exceed the quantity of the quota held by each such institution during the 1985 crop year, except that the total quantity allocated to all institutions in a State shall not exceed 1/10 of 1 percent of the basic quota of the State.

''(c) LIMITATION.—The director of the agricultural experiment station for a State shall be required to ensure, to the extent practicable, that farm operators in the State do not produce quota peanuts under subsection (a) in excess of the quantity needed for experimental and research purposes.

''(d) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.''.

(g) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before ''all brokers and dealers in peanuts'' the following: ''all producers engaged in the production of peanuts,''.

(h) REGULATIONS.—The Secretary of Agriculture shall issue such regulations as are necessary to carry out this section and the amendments made by this section. In issuing the regulations, the Secretary shall—

(1) comply with subchapter II of chapter 5 of title 5, United States Code;

(2) provide public notice through the Federal Register of any such proposed regulations; and

(3) allow adequate time for written public comment prior to the formulation and issuance of any final regulations.

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AMENDMENT NO. 3341

Strike the section relating to the peanut program and insert the following:

**SEC. 106. PEANUT PROGRAM.**

(a) PRICE SUPPORT PROGRAM.—

(1) QUOTA PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, and other operations on quota peanuts for each of the 1996 through 2002 crops.

(B) SUPPORT RATES.—

(i) IN GENERAL.—Subject to clause (ii), the national average quota support rate for each of the 1996 through 2002 crops of quota peanuts shall be the national average quota support rate for the immediately preceding crop, adjusted to reflect any increase or decrease, during the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any change in the cost of land and the cost of any assessments required under paragraph (7).

(ii) MAXIMUM RATE.—In no event shall the national average quota support rate for any such crop be increased or decreased by more than 5 percent of the national average quota support rate for the preceding crop.

(C) INSPECTION, HANDLING, OR STORAGE.—The level of support determined under subparagraph (B) shall not be reduced by any deduction for inspection, handling, or storage.

(D) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 104(i).

(E) ANNOUNCEMENT.—The Secretary shall announce the level of support for quota peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

(2) ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1996 through 2002 crops at such levels as the Secretary

considers appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, except that the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(B) ANNOUNCEMENT.—The Secretary shall announce the level of support for additional peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

(3) AREA MARKETING ASSOCIATIONS.—

(A) WAREHOUSE STORAGE LOANS.—

(i) IN GENERAL.—In carrying out paragraphs (1) and (2), the Secretary shall make warehouse storage loans available in each of the 3 producing areas described in section 1446.95 of title 7, Code of Federal Regulations (as of January 1, 1989), to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this subsection and sections 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(ii) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—The area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this subsection and sections 358e of the Agricultural Adjustment Act of 1938.

(iii) ASSOCIATION COSTS.—Loans made to an area marketing association under this subparagraph shall include, in addition to the price support value of the peanuts, such costs as the association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this subsection and sections 358e of the Agricultural Adjustment Act of 1938.

(B) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(i) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Peanuts produced outside New Mexico shall not be eligible for entry into or participation in the separate pools established for Valencia peanuts produced in New Mexico. Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(ii) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(I) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool plus an amount from all additional pool gains equal to any loss on disposition of all peanuts in the pool for quota peanuts.

(II) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in subclause (I).

(4) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(A) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(2)(B)(v) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)).

(B) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(C) ADDITIONAL PEANUT GAINS.—Further losses in an area quota pool shall be offset by gains or profits attributable to sales of additional peanuts in that area for domestic edible and other uses.

(D) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under paragraph (7) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under paragraph (7) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(E) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(2)(B)(v) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)), shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(F) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under paragraph (7) by such an amount as the Secretary considers necessary to cover the losses. Amounts collected under paragraph (7) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

(5) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no price support may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)).

(6) QUALITY IMPROVEMENT.—

(A) PRICE SUPPORT PEANUTS.—With respect to peanuts under price support loan, the Secretary shall—

(i) promote the crushing of peanuts at a greater risk of deterioration before peanuts at a lesser risk of deterioration;

(ii) ensure that all Commodity Credit Corporation loan stocks of peanuts sold for domestic edible use are shown to have been officially inspected by licensed Department of Agriculture inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(iii) continue to endeavor to operate the peanut price support program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(iv) ensure that any changes made in the price support program as a result of this paragraph requiring additional production or handling at the farm level are reflected as an upward adjustment in the Department of Agriculture loan schedule.

(B) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts, including peanuts imported into the United States, meet all United States quality standards under Marketing Agreement No. 146 and that importers of the peanuts fully comply with inspection, handling, storage, and processing requirements implemented under Marketing Agreement No. 146. The Secretary shall ensure that peanuts produced for the export market meet quality, inspection, handling, storage, and processing requirements under Marketing Agreement No. 146.

(7) MARKETING ASSESSMENT.—

(A) IN GENERAL.—The Secretary shall provide, by regulation, for a nonrefundable marketing assessment applicable to each of the 1996 through 2002 crops of peanuts. The assessment shall be made in accordance with this paragraph and shall be on a per pound basis in an amount equal to 1.2 percent of the national average quota or additional peanut support rate per pound, as applicable, for the applicable crop. No peanuts shall be assessed more than 1.2 percent of the applicable support rate under this paragraph.

(B) FIRST PURCHASERS.—

(i) IN GENERAL.—Except as provided under subparagraphs (C) and (D), the first purchaser of peanuts shall—

(I) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by .65 percent of the applicable national average support rate;

(II) pay, in addition to the amount collected under subclause (I), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average support rate; and

(III) remit the amounts required under subclauses (I) and (II) to the Commodity Credit Corporation in a manner specified by the Secretary.

(ii) IMPORTED PEANUTS.—In the case of imported peanuts, the first purchaser shall pay to the Commodity Credit Corporation, in a manner specified by the Secretary, a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by 1.2 percent of the national average support rate for additional peanuts.

(iii) DEFINITION.—In this paragraph, the term ''first purchaser'' means a person acquiring peanuts from a producer, except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

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

(D) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a price support loan made under this subsection, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For the purposes of computing net gains on peanuts under this subsection, the reduction in loan proceeds shall be treated as having been paid to the producer.

(E) PENALTIES.—If any person fails to collect or remit the reduction required by this paragraph or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this paragraph, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(i) the quantity of peanuts involved in the violation; by

(ii) the national average quota peanut price support level for the applicable crop year.

(F) ENFORCEMENT.—The Secretary may enforce this paragraph in the courts of the United States.

(8) CROPS.—Notwithstanding any other provision of law, this subsection shall be effective only for the 1996 through 2002 crops of peanuts.

(b) SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS.—Section 371 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371) shall not be applicable to the 1996 through 2002 crops of peanuts.

(c) NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS.—Section 358–1 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1) is amended to read as follows:

**"SEC. 358–1. NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.**

''(a) NATIONAL POUNDAGE QUOTAS.—

''(1) ESTABLISHMENT.—The national poundage quota for peanuts for each of the 1996 through 2002 marketing years shall be established by the Secretary at a level that is equal to the quantity of peanuts (in tons) that the Secretary estimates will be devoted in each such marketing year to domestic edible and related uses, excluding seed. The Secretary shall include in the annual estimate of domestic edible and related uses, the estimated quantity of peanuts and peanut products to be imported into the United States for the marketing year for which the quota is being established.

''(2) ANNOUNCEMENT.—The national poundage quota for a marketing year shall be announced by the Secretary not later than the December 15 preceding the marketing year.

''(3) APPORTIONMENT AMONG STATES.—The national poundage quota established under paragraph (1) shall be apportioned among the States so that the poundage quota allocated to each State is equal to the percentage of the national poundage quota allocated to farms in the State for 1995.

''(b) FARM POUNDAGE QUOTAS.—

''(1) IN GENERAL.—

''(A) ESTABLISHMENT.—A farm poundage quota for each of the 1996 through 2002 marketing years shall be established—

''(i) for each farm that had a farm poundage quota for peanuts for the 1995 marketing year;

''(ii) if the poundage quota apportioned to a State under subsection (a)(3) for any such marketing year is larger than the quota for the immediately preceding marketing year, for each other farm on which peanuts were produced for marketing in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary; and

''(iii) as approved and determined by the Secretary under section 358c, for each farm on which peanuts are produced in connection with experimental and research programs.

''(B) QUANTITY.—

''(i) IN GENERAL.—The farm poundage quota for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(i) shall be the same as the farm poundage quota for the farm for the immediately preceding marketing year, as adjusted under paragraph (2), but not including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

''(ii) INCREASED QUOTA.—The farm poundage quota, if any, for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(ii) shall be equal to the quantity of peanuts allocated to the farm for the year under paragraph (2).

''(C) TRANSFERS.—For purposes of this subsection, if the farm poundage quota, or any part of the quota, is permanently transferred in accordance with section 358b, the receiving farm shall be considered as possessing the farm poundage quota (or portion of the quota) of the transferring farm for all subsequent marketing years.

''(2) ADJUSTMENTS.—

''(A) ALLOCATION OF INCREASED QUOTA GENERALLY.—Subject to subparagraphs (B) and (D), if the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is increased over the poundage quota apportioned to farms in the State for the immediately preceding marketing year, the increase shall be allocated proportionately, based on farm production history for peanuts for the 3 immediately preceding years, among—

''(i) all farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made; and

''(ii) all other farms in the State on which peanuts were produced in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary.

''(B) TEMPORARY QUOTA ALLOCATION.—

''(i) IN GENERAL.—Subject to clause (iv), temporary allocation of a poundage quota for the marketing year in which a crop of peanuts is planted shall be made to producers for each of the 1996 through 2002 marketing years in accordance with this subparagraph.

''(ii) QUANTITY.—The temporary quota allocation shall be equal to the quantity of seed peanuts (in pounds) planted on a farm, as determined in accordance with regulations issued by the Secretary.

''(iii) ALLOCATION.—The allocation of quota pounds to producers under this subparagraph shall be performed in such a manner as will not result in a net decrease in quota pounds on a farm in excess of 3 percent, after the temporary seed quota is added, from the basic farm quota for the 1995 marketing year. A decrease shall occur only once, shall be applicable only to the 1996 marketing year.

''(iv) NO INCREASED COSTS.—The Secretary may carry out this subparagraph only if this subparagraph does not result in—

''(I) an increased cost to the Commodity Credit Corporation through displacement of quota peanuts by additional peanuts in the domestic market;

''(II) an increased loss in a loan pool of an area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act; or

''(III) other increased costs.

''(v) TRANSFER OF ADDITIONAL PEANUTS.—

''(I) IN GENERAL.—Except as provided in subclause (II), additional peanuts on a farm from which the quota poundage was not harvested and marketed may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall provide by regulation.

''(II) LIMITATIONS.—The poundage of peanuts transferred under subclause (I) shall not exceed 25 percent of the total farm poundage quota, excluding pounds transferred in the fall.

''(III) SUPPORT RATE.—Peanuts transferred under this clause shall be supported at a rate of 70 percent of the quota support rate for the marketing years during which the transfers occur.

''(vi) USE OF QUOTA AND ADDITIONAL PEANUTS.—Nothing in this subparagraph affects the requirements of section 358b(b).

''(vii) ADDITIONAL ALLOCATION.—The temporary allocation of quota pounds under this subparagraph shall be in addition to the farm poundage quota established under this subsection and shall be credited to the producers of the peanuts on the farm in accordance with regulations issued by the Secretary.

''(C) DECREASE.—If the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is decreased from the poundage quota apportioned to farms in the State under subsection (a)(3) for the immediately preceding marketing year, the decrease shall be allocated among all the farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made.

''(D) SPECIAL RULE ON TENANT'S SHARE OF INCREASED QUOTA.—Subject to terms and conditions prescribed by the Secretary, on farms that were leased to a tenant for peanut production, the tenant shall share equally with the owner of the farm in the percentage of the quota made available under subparagraph (A) and otherwise allocated to the farm as the result of the production of the tenant on the farm of additional peanuts. Not later than April 1 of each year or as soon as practicable during the year, the share of the tenant of any such quota shall be allocated to a farm within the county owned by the tenant or sold by the tenant to the owner of any farm within the county and permanently transferred to the farm. Any quota not so disposed of as provided in this subparagraph shall be allocated to other quota farms in the State under paragraph (6) as part of the quota reduced from farms in the State due to the failure to produce the quota.

''(3) QUOTA NOT PRODUCED.—

''(A) IN GENERAL.—Insofar as practicable and on such fair and equitable basis as the Secretary may by regulation prescribe, the farm poundage quota established for a farm for any of the 1996 through 2002 marketing years shall be reduced to the extent that the Secretary determines that the farm poundage quota established for the farm for any 2 of the 3 marketing years preceding the marketing year for which the determination is being made was not produced, or considered produced, on the farm.

''(B) EXCLUSIONS.—For the purposes of this paragraph, the farm poundage quota for any such preceding marketing year shall not include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

''(4) QUOTA CONSIDERED PRODUCED.—

''(A) IN GENERAL.—For purposes of this subsection, subject to subparagraph (B), the farm poundage quota shall be considered produced on a farm if—

''(i) the farm poundage quota was not produced on the farm because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, as determined by the Secretary;

''(ii) the farm poundage quota for the farm was released voluntarily under paragraph (7) for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; or

''(iii) the farm poundage quota was leased to another owner or operator of a farm within the same county for transfer to the farm for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made.

''(B) MARKETING YEARS.—For purposes of clauses (ii) and (iii) of subparagraph (A)—

''(i) the farm poundage quota leased or transferred shall be considered produced for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; and

''(ii) the farm shall not be considered to have produced for more than 1 marketing year out of the 3 immediately preceding marketing years.

''(5) QUOTA PERMANENTLY RELEASED.—Notwithstanding any other provision of law—

''(A) the farm poundage quota established for a farm under this subsection, or any part of the quota, may be permanently released by the owner of the farm, or the operator with the permission of the owner; and

''(B) the poundage quota for the farm for which the quota is released shall be adjusted downward to reflect the quota that is released.

''(6) ALLOCATION OF QUOTAS REDUCED OR RELEASED.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the total quantity of the farm poundage quotas reduced or voluntarily released from farms in a State for any marketing year under paragraphs (3) and (5) shall be allocated, as the Secretary may by regulation prescribe, to other farms in the State on which peanuts were produced in at least 2 of the 3 crop years immediately preceding the year for which the allocation is being made.

''(B) SET-ASIDE FOR FARMS WITH NO QUOTA.—The total amount of farm poundage quota to be allocated in the State under subparagraph (A) shall be allocated to farms in the State for which no farm poundage quota was established for the crop of the immediately preceding year. The allocation to any such farm shall not exceed the average farm production of peanuts for the 3 immediately preceding years during which peanuts were produced on the farm. Any farm poundage quota remaining after allocation to farms under this subparagraph shall be allocated to farms in the State on which poundage quotas were established for the crop of the immediately preceding year.

''(7) QUOTA TEMPORARILY RELEASED.—

''(A) IN GENERAL.—The farm poundage quota, or any portion of the quota, established for a farm for a marketing year may be voluntarily released to the Secretary to the extent that the quota, or any part of the quota, will not be produced on the farm for the marketing year. Any farm poundage quota so released in a State shall be allocated to other farms in the State on such basis as the Secretary may by regulation prescribe.

''(B) EFFECTIVE PERIOD.—Except as otherwise provided in this section, any adjustment in the farm poundage quota for a farm under subparagraph (A) shall be effective only for the marketing year for which the adjustment is made and shall not be taken into consideration in establishing a farm poundage quota for the farm from which the quota was released for any subsequent marketing year.

''(c) FARM YIELDS.—

''(1) IN GENERAL.—For each farm for which a farm poundage quota is established under subsection (b), and when necessary for purposes of this Act, a farm yield of peanuts shall be determined for each such farm.

''(2) QUANTITY.—The yield shall be equal to the average of the actual yield per acre on the farm for each of the 3 crop years in which yields were highest on the farm during the 5-year period consisting of the 1973 through 1977 crop years.

''(3) APPRAISED YIELDS.—If peanuts were not produced on the farm in at least 3 years during the 5-year period or there was a substantial change in the operation of the farm during the period (including a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that quantity determined to be fair and reasonable on the basis of yields established for similar farms that are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

''(d) REFERENDUM RESPECTING POUNDAGE QUOTAS.—

''(1) IN GENERAL.—Not later than December 15 of each calendar year, the Secretary shall conduct a referendum of producers engaged in the production of quota peanuts in the calendar year in which the referendum is held to determine whether the producers are in favor of or opposed to poundage quotas with respect to the crops of peanuts produced in the 5 calendar years immediately following the year in which the referendum is held, except that, if at least ⅔ of the producers voting in any referendum vote in favor of poundage quotas, no referendum shall be held with respect to quotas for the remaining years of the 5-calendar year period.

''(2) PROCLAMATION.—The Secretary shall proclaim the result of the referendum within 30 days after the date on which the referendum is held.

''(3) VOTE AGAINST QUOTAS.—If more than ⅓ of the producers voting in the referendum vote against poundage quotas, the Secretary shall proclaim that poundage quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held.

''(e) DEFINITIONS.—In this part and the Agricultural Market Transition Act:

''(1) ADDITIONAL PEANUTS.—The term 'additional peanuts' means, for any marketing year—

''(A) any peanuts that are marketed from a farm for which a farm poundage quota has been established and that are in excess of the marketings of quota peanuts from the farm for the year; and

''(B) all peanuts marketed from a farm for which no farm poundage quota has been established in accordance with subsection (b).

''(2) CRUSH.—The term 'crush' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary.

''(3) DOMESTIC EDIBLE USE.—The term 'domestic edible use' means use for milling to produce domestic food peanuts (other than a use described in paragraph (2)) and seed and use on a farm, except that the Secretary may exempt from this paragraph seeds of peanuts that are used to produce peanuts excluded under section 301(b)(18), are unique strains, and are not commercially available.

''(4) QUOTA PEANUTS.—The term 'quota peanuts' means, for any marketing year, any peanuts produced on a farm having a farm poundage quota, as determined under subsection (b), that—

''(A) are eligible for domestic edible use as determined by the Secretary;

''(B) are marketed or considered marketed from a farm; and

''(C) do not exceed the farm poundage quota of the farm for the year.

''(f) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.''.

(d) SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.—Section 358b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b) is amended to read as follows:

**''SEC. 358b. SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA FOR 1996 THROUGH 2000 CROPS OF PEANUTS.**

''(a) IN GENERAL.—

''(1) AUTHORITY.—

''(A) IN GENERAL.—Subject to such terms, conditions, or limitations as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm poundage quota has been established under this Act may sell or lease all or any part of the poundage quota to any other owner or operator of a farm within the same county for transfer to the farm, except that any such lease of poundage quota may be entered into in the fall or after the normal planting season—

''(i) if not less than 90 percent of the basic quota (consisting of the farm quota and temporary quota transfers), plus any poundage quota transferred to the farm under this subsection, has been planted or considered planted on the farm from which the quota is to be leased; and

''(ii) under such terms and conditions as the Secretary may by regulation prescribe.

''(B) FALL TRANSFERS.—

''(i) NO TRANSFER AUTHORIZATION.—In the case of a fall transfer or a transfer after the normal planting season by a cash lessee, the landowner shall not be required to sign the transfer authorization.

''(ii) TIME LIMITATION.—A fall transfer or a transfer after the normal planting season may be made not later than 72 hours after the peanuts that are the subject of the transfer are inspected and graded.

''(iii) LESSEES.—In the case of a fall transfer, poundage quota from a farm may be leased to an owner or operator of another farm within the same county or to an owner or operator of another farm in any other county within the State.

''(iv) EFFECT OF TRANSFER.—A fall transfer of poundage quota shall not affect the farm quota history for the transferring or receiving farm and shall not result in the reduction of the farm poundage quota on the transferring farm.

''(2) TRANSFERS TO OTHER SELF-OWNED FARMS.—The owner or operator of a farm may transfer all or any part of the farm poundage quota for the farm to any other farm owned or controlled by the owner or operator that is in the same State and that had a farm poundage quota for the crop of the preceding year, if both the transferring and receiving farms were under the control of the owner or operator for at least 3 crop years prior to the crop year in which the farm poundage quota is to be transferred. Any farm poundage quota transferred under this paragraph shall not result in any reduction in the farm poundage quota for the transferring farm if sufficient acreage is planted on the receiving farm to produce the quota pounds transferred.

''(3) TRANSFERS WITHIN STATES WITH SMALL QUOTAS.—In the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota may be transferred by sale or lease or otherwise from a farm in 1 county to a farm in another county in the same State.

''(4) TRANSFERS BETWEEN STATES HAVING QUOTAS OF LESS THAN 10,000 TONS.—Notwithstanding paragraphs (1) through (3), in the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota up to 1,000 tons may be transferred by sale or lease from a farm in 1 such State to a farm in another such State.

''(5) TRANSFERS BY SALE IN STATES HAVING QUOTAS OF 10,000 TONS OR MORE.—

''(A) IN GENERAL.—Subject to the other provisions of this paragraph and such terms and conditions as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm quota has been established under this Act in a State having a poundage quota of 10,000 tons or more may sell poundage quota to any other eligible owner or operator of a farm within the same State.

''(B) LIMITATIONS BASED ON TOTAL POUNDAGE QUOTA.—

''(i) 1996 MARKETING YEAR.—Not more than 15 percent of the total poundage quota within a county as of January 1, 1996, may be sold and transferred under this paragraph during the 1996 marketing year.

''(ii) 1997–2002 MARKETING YEARS.—

''(I) IN GENERAL.—Except as provided in subclause (II), not more than 5 percent of the quota pounds remaining in a county as of January 1, 1997, and each January 1 thereafter through January 1, 2002, may be sold and transferred under this paragraph during the applicable marketing year.

''(II) CARRYOVER.—Any eligible quota that is not sold or transferred under clause (i) shall be eligible for sale or transfer under subclause (I).

''(C) COUNTY LIMITATION.—Not more than 40 percent of the total poundage quota within a county may be sold and transferred under this paragraph.

''(D) SUBSEQUENT LEASES OR SALES.—Quota pounds sold and transferred to a farm under this paragraph may not be leased or sold by the farm to another owner or operator of a farm within the same State for a period of 5 years following the date of the original transfer to the farm.

''(E) APPLICATION.—This paragraph shall not apply to a sale within the same county or to any sale, lease, or transfer described in paragraph (1).

''(b) CONDITIONS.—Transfers (including transfer by sale or lease) of farm poundage quotas under this section shall be subject to all of the following conditions:

''(1) LIENHOLDERS.—No transfer of the farm poundage quota from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders.

''(2) TILLABLE CROPLAND.—No transfer of the farm poundage quota shall be permitted if the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) determines that the receiving farm does not have adequate tillable cropland to produce the farm poundage quota.

''(3) RECORD.—No transfer of the farm poundage quota shall be effective until a record of the transfer is filed with the county committee of each county to, and from, which the transfer is made and each committee determines that the transfer complies with this section.

''(4) OTHER TERMS.—The Secretary may establish by regulation other terms and conditions.

''(c) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2000 crops of peanuts.''.

(e) MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS.—Section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a) is amended to read as follows:

**''SEC. 358e. MARKETING PENALTIES AND DISPOSITION OF ADDITIONAL PEANUTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.**

''(a) MARKETING PENALTIES.—

''(1) IN GENERAL.—

''(A) MARKETING PEANUTS IN EXCESS OF QUOTA.—The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which the peanuts are produced shall be subject to a penalty at a rate equal to 140 percent of the support price for quota peanuts for the marketing year in which the marketing occurs. The penalty shall not apply to the marketing of breeder or Foundation seed peanuts grown and marketed by a publicly owned agricultural experiment station (including a State operated seed organization) under such regulations as the Secretary may prescribe.

''(B) MARKETING YEAR.—For purposes of this section, the marketing year for peanuts shall be the 12-month period beginning August 1 and ending July 31.

''(C) MARKETING ADDITIONAL PEANUTS.—The marketing of any additional peanuts from a farm shall be subject to the same penalty as the penalty prescribed in subparagraph (A) unless the peanuts, in accordance with regulations established by the Secretary, are—

''(i) placed under loan at the additional loan rate in effect for the peanuts under section 106 of the Agricultural Market Transition Act and not redeemed by the producers;

''(ii) marketed through an area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act; or

''(iii) marketed under contracts between handlers and producers pursuant to subsection (f).

''(2) PAYER.—The penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer or, if the peanuts are marketed by the producer through an agent, the penalty shall be paid by the agent. The person or agent may deduct an amount equivalent to the penalty from the price paid to the producer.

''(3) FAILURE TO COLLECT.—If the person required to collect the penalty fails to collect the penalty, the person and all persons entitled to share in the peanuts marketed from the farm or the proceeds of the marketing shall be jointly and severally liable with the persons who failed to collect the penalty for the amount of the penalty.

''(4) APPLICATION OF QUOTA.—Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning in the calendar year shall be subject to the quotas even though the peanuts are marketed prior to the date on which the marketing year begins.

''(5) FALSE INFORMATION.—If any producer falsely identifies, fails to accurately certify planted acres, or fails to account for the disposition of any peanuts produced on the planted acres, a quantity of peanuts equal to the greater of the average or actual yield of the farm, as determined by the Secretary, multiplied by the number of planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts. Any penalty payable under this paragraph shall be paid and remitted by the producer.

''(6) UNINTENTIONAL VIOLATIONS.—The Secretary shall authorize, under such regulations as the Secretary shall issue, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or reduce marketing penalties provided for under this subsection in cases with respect to which the committees determine that the violations that were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned.

''(7) DE MINIMIS VIOLATIONS.—An error in weight that does not exceed 1/10 of 1 percent in the case of any 1 marketing document shall not be considered to be a marketing violation except in a case of fraud or conspiracy.

''(b) USE OF QUOTA AND ADDITIONAL PEANUTS.—

''(1) QUOTA PEANUTS.—Only quota peanuts may be retained for use as seed or for other uses on a farm. When peanuts are so retained, the retention shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts for the quantity involved that are used to produce peanuts excluded under section 301(b)(18), are unique strains, and are not commercially available.

''(2) ADDITIONAL PEANUTS.—Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use, except as provided in subsection (g).

''(3) SEED.—Except as provided in paragraph (1), seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

''(c) MARKETING PEANUTS WITH EXCESS QUANTITY, GRADE, OR QUALITY.—On a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by the handler from the crop for the marketing year, the handler shall be subject to a penalty equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts that the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

''(d) HANDLING AND DISPOSAL OF ADDITIONAL PEANUTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act.

''(2) NONSUPERVISION OF HANDLERS.—

''(A) IN GENERAL.—Supervision of the handling and disposal of additional peanuts by a handler shall not be required under paragraph (1) if the handler agrees in writing, prior to any handling or disposal of the peanuts, to comply with regulations that the Secretary shall issue.

''(B) REGULATIONS.—The regulations issued by the Secretary under subparagraph (A) shall include the following provisions:

''(i) TYPES OF EXPORTED OR CRUSHED PEANUTS.—Handlers of shelled or milled peanuts may export or crush peanuts classified by type in each of the following quantities:

''(I) SOUND SPLIT KERNEL PEANUTS.—Sound split kernel peanuts purchased by the handler as additional peanuts to which, under price support loan schedules, a mandated deduction with respect to the price paid to the producer of the peanuts would be applied due to the percentage of the sound splits.

''(II) SOUND MATURE KERNEL PEANUTS.—Sound mature kernel peanuts (which term includes sound split kernel peanuts and sound whole kernel peanuts) in an amount equal to the poundage of the peanuts purchased by the handler as additional peanuts, less the total poundage of sound split kernel peanuts described in subclause (I).

''(III) REMAINDER.—The remaining quantity of total kernel content of peanuts purchased by the handler as additional peanuts.

''(ii) DOCUMENTATION.—Handlers shall ensure that any additional peanuts exported or crushed are evidenced by onboard bills of lading or other appropriate documentation as may be required by the Secretary, or both.

''(iii) LOSS OF PEANUTS.—If a handler suffers a loss of peanuts as a result of fire, flood, or any other condition beyond the control of the handler, the portion of the loss allocated to contracted additional peanuts shall not be greater than the portion of the total peanut purchases of the handler for the year attributable to contracted additional peanuts purchased for export or crushing by the handler during the year.

''(iv) SHRINKAGE ALLOWANCE.—

''(I) IN GENERAL.—The obligation of a handler to export or crush peanuts in quantities described in this subparagraph shall be reduced by a shrinkage allowance, to be determined by the Secretary, to reflect actual dollar value shrinkage experienced by handlers in commercial operations, except that the allowance shall not be less than 4 percent, except as provided in subclause (II).

''(II) COMMON INDUSTRY PRACTICES.—The Secretary may provide a lower shrinkage allowance for a handler who fails to comply with restrictions on the use of peanuts, as may be specified by the Commodity Credit Corporation, to take into account common industry practices.

''(3) ADEQUATE FINANCES AND FACILITIES.—A handler shall submit to the Secretary adequate financial guarantees, as well as evidence of adequate facilities and assets, with respect to the facilities under the control and operation of the handler, to ensure the compliance of the handler with the obligation to export peanuts.

''(4) COMMINGLING OF LIKE PEANUTS.—Quota and additional peanuts of like type and segregation or quality may, under regulations issued by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

''(5) PENALTY.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the failure by a handler to comply with regulations issued by the Secretary governing the disposition and handling of additional peanuts shall subject the handler to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts involved in the violation.

''(B) NONDELIVERY.—A handler shall not be subject to a penalty for failure to export additional peanuts if the peanuts were not delivered to the handler.

''(6) REENTRY OF EXPORTED PEANUTS.—

''(A) PENALTY.—If any additional peanuts or peanut products exported by a handler are reentered into the United States in commercial quantities as determined by the Secretary, the importer of the peanuts and peanut products shall be subject to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts reentered.

''(B) RECORDS.—Each person, firm, or handler who imports peanuts into the United States shall maintain such records and documents as are required by the Secretary to ensure compliance with this subsection.

''(e) SPECIAL EXPORT CREDITS.—

''(1) IN GENERAL.—The Secretary shall, with due regard for the integrity of the peanut program, promulgate regulations that will permit any handler of peanuts who manufactures peanut products from domestic edible peanuts to export the products and receive credit for the fulfillment of export obligations for the peanut content of the products against which export credit the handler may subsequently apply, up to the amount of the credit, equivalent quantities of additional peanuts of the same type acquired by the handler and used in the domestic edible market. The peanuts so acquired for the domestic edible market as provided in this subsection shall be of the same crop year as the peanuts used in the manufacture of the products so exported.

''(2) CERTIFICATION.—Under the regulations, the Secretary shall require all handlers who are peanut product manufacturers to submit annual certifications of peanut product content on a product-by-product basis. Any changes in peanut product formulas as affecting peanut content shall be recorded within 90 days after the changes. The Secretary shall conduct an annual review of the certifications. The Secretary shall pursue all available remedies with respect to persons who fail to comply with this paragraph.

''(3) RECORDS.—The Secretary shall require handlers who are peanut product manufacturers to maintain and provide such documents as are necessary to ensure compliance with this subsection and to maintain the integrity of the peanut program.

''(f) CONTRACTS FOR PURCHASE OF ADDITIONAL PEANUTS.—

''(1) IN GENERAL.—A handler may, under such regulations as the Secretary may issue, contract with a producer for the purchase of additional peanuts for crushing or export, or both.

''(2) SUBMISSION TO SECRETARY.—

''(A) CONTRACT DEADLINE.—Any such contract shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval not later than September 15 of the year in which the crop is produced.

''(B) EXTENSION OF DEADLINE.—The Secretary may extend the deadline under subparagraph (A) by up to 15 days in response to damaging weather or related condition (as defined in section 112 of the Disaster Assistance Act of 1989 (Public Law 101–82; 7 U.S.C. 1421 note)). The Secretary shall announce the extension not later than September 5 of the year in which the crop is produced.

''(3) FORM.—The contract shall be executed on a form prescribed by the Secretary. The form shall require such information as the Secretary determines appropriate to ensure the proper handling of the additional peanuts, including the identity of the contracting parties, poundage and category of the peanuts, the disclosure of any liens, and the intended disposition of the peanuts.

''(4) INFORMATION FOR HANDLING AND PROCESSING ADDITIONAL PEANUTS.—Notwithstanding any other provision of this section, any person wishing to handle and process additional peanuts as a handler shall submit to the Secretary (or if designated by the Secretary, the area marketing association), such information as may be required under subsection (d) by such date as is prescribed by the Secretary so as to permit final action to be taken on the application by July 1 of each marketing year.

''(5) TERMS.—Each such contract shall contain the final price to be paid by the handler for the peanuts involved and a specific prohibition against the disposition of the peanuts for domestic edible or seed use.

''(6) SUSPENSION OF RESTRICTIONS ON IMPORTED PEANUTS.—Notwithstanding any other provision of this Act, if the President issues a proclamation under section 404(b) of the Uruguay Round Agreements Act (19 U.S.C. 3601(b)) expanding the quantity of peanuts subject to the in-quota rate of duty under a tariff-rate quota, or under section 22 of the Agricultural Adjustment Act (7 U.S.C. 624), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, temporarily suspending restrictions on the importation of peanuts, the Secretary shall, subject to such terms and conditions as the Secretary may prescribe, permit a handler, with the written consent of the producer, to purchase additional peanuts from any producer who contracted with the handler and to offer the peanuts for sale for domestic edible use.

''(g) MARKETING OF PEANUTS OWNED OR CONTROLLED BY THE COMMODITY CREDIT CORPORATION.—

''(1) IN GENERAL.—Subject to section 104(k) of the Agricultural Market Transition Act, any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use, in accordance with regulations issued by the Secretary, so long as doing so does not result in substantially increased cost to the Commodity Credit Corporation. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices that are not less than the prices that are required to cover all costs incurred with respect to the peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus—

''(A) not less than 100 percent of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season on delivery by and with the written consent of the producer;

''(B) not less than 105 percent of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year; or

''(C) not less than 107 percent of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year.

''(2) ACCEPTANCE OF BIDS BY AREA MARKETING ASSOCIATIONS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), for the period from the date additional peanuts are delivered for loan to March 1 of the calendar year following the year in which the additional peanuts were harvested, the area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act shall have sole authority to accept or reject lot list bids when the sales price, as determined under this subsection, equals or exceeds the minimum price at which the Commodity Credit Corporation may sell the stocks of additional peanuts of the Corporation.

''(B) MODIFICATION.—The area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by subparagraph (A) to facilitate the orderly marketing of additional peanuts.

''(3) PRODUCER MARKETING AND EXPENSES.—Notwithstanding any other provision of this Act, the Secretary shall, in any determination required under paragraphs (1)(B) and (2)(A) of section 106(a) of the Agricultural Market Transition Act, include any additional marketing expenses required by law, excluding the amount of any assessment required under section 106(a)(7) of the Agricultural Market Transition Act.

''(h) ADMINISTRATION.—

''(1) INTEREST.—The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest on the penalty at a rate per annum equal to the rate per annum of interest that was charged the Commodity Credit Corporation by the Treasury of the United States on the date the penalty became due.

''(2) DE MINIMIS QUANTITY.—This section shall not apply to peanuts produced on any farm on which the acreage harvested for peanuts is 1 acre or less if the producers who share in the peanuts produced on the farm do not share in the peanuts produced on any other farm.

''(3) LIENS.—Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which

the penalty is incurred, and on any subsequent crop of peanuts subject to farm poundage quotas in which the person liable for payment of the penalty has an interest, shall be in effect in favor of the United States.

''(4) PENALTIES.—

''(A) PROCEDURES.—Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary may by regulation prescribe. The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Federal Government.

''(B) JUDICIAL REVIEW.—Nothing in this section prohibits any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether the determination was made in conformity with applicable law.

''(C) CIVIL PENALTIES.—All penalties imposed under this section shall for all purposes be considered civil penalties.

''(5) REDUCTION OF PENALTIES.—

''(A) IN GENERAL.—Except as provided in subparagraph (B) and notwithstanding any other provision of law, the Secretary may reduce the amount of any penalty assessed against handlers under this section by any appropriate amount, including, in an appropriate case, eliminating the penalty entirely, if the Secretary finds that the violation on which the penalty is based was minor or inadvertent, and that the reduction of the penalty will not impair the operation of the peanut program.

''(B) FAILURE TO EXPORT CONTRACTED ADDITIONAL PEANUTS.—The amount of any penalty imposed on a handler under this section that resulted from the failure to export or crush contracted additional peanuts shall not be reduced by the Secretary.

''(i) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.''.

(f) PEANUT STANDARDS.—

(1) INSPECTION; QUALITY ASSURANCE.—

(A) INITIAL ENTRY.—The Secretary shall require all peanuts and peanut products sold in the United States to be initially placed in a bonded, licensed warehouse approved by the Secretary for the purpose of inspection and grading by the Secretary, the Commissioner of the Food and Drug Administration, and the heads of other appropriate agencies of the United States.

(B) PRELIMINARY INSPECTION.—Peanuts and peanut products shall be held in the warehouse until inspected by the Secretary, the Commissioner of the Food and Drug Administration, or the head of another appropriate agency of the United States, for chemical residues, general cleanliness, disease, size, aflatoxin, stripe virus, and other harmful conditions, and an assurance of compliance with all grade and quality standards specified under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937).

(C) SEPARATION OF LOTS.—All imported peanuts shall be maintained separately from, and shall not be commingled with, domestically produced peanuts in the warehouse.

(D) ORIGIN OF PEANUT PRODUCTS.—

(i) LABELING.—A peanut product shall be labeled with a label that indicates the origin of the peanuts contained in the product.

(ii) SOURCE.—No peanut product may contain both imported and domestically produced peanuts.

(iii) IMPORTED PEANUT PRODUCTS.—The first seller of an imported peanut product shall certify that the product is made from raw peanuts that meet the same quality and grade standards that apply to domestically produced peanuts.

(E) DOCUMENTATION.—No peanuts or peanut products may be transferred, shipped, or otherwise released from a warehouse described in subparagraph (A) unless accompanied by a United States Government inspection certificate that certifies compliance with this paragraph.

(2) HANDLING AND STORAGE.—

(A) TEMPERATURE AND HUMIDITY.—The Secretary shall require all shelled peanuts sold in the United States to be maintained at a temperature of not more than 37 degrees Fahrenheit and a humidity range of 60 to 68 percent at all times during handling and storage prior to sale and shipment.

(B) CONTAINERS.—The peanuts shall be shipped in a container that provides the maximum practicable protection against moisture and insect infestation.

(C) IN-SHELL PEANUTS.—The Secretary shall require that all in-shell peanuts be reduced to a moisture level not exceeding 10 percent immediately on being harvested and be stored in a facility that will ensure quality maintenance and will provide proper ventilation at all times prior to sale and shipment.

(3) LABELING.—The Secretary shall require that all peanuts and peanut products sold in the United States contain labeling that lists the country or countries in which the peanuts, including all peanuts used to manufacture the peanut products, were produced.

(4) INSPECTION AND TESTING.—

(A) IN GENERAL.—All peanuts and peanut products sold in the United States shall be inspected and tested for grade and quality.

(B) CERTIFICATION.—All peanuts or peanut products offered for sale in, or imported into, the United States shall be accompanied by a certification by the first seller or importer that the peanuts or peanut products do not contain residues of any pesticide not approved for use in, or importation into, the United States.

(5) NUTRITIONAL LABELING.—The Secretary shall require all peanuts and peanut products sold in the United States to contain complete nutritional labeling information as required under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.).

(6) PEANUT CONTENT.—

(A) OFFSET AGAINST HTS QUANTITY.—The actual quantity of peanuts, by weight, used to manufacture, and ultimately contained in, peanut products imported into the United States shall be accounted for and offset against the total quantity of peanut imports allowed under the in-quota quantity of the tariff-rate quota established for peanuts under the Harmonized Tariff Schedule of the United States.

(B) VERIFICATION.—The Secretary shall establish standards and procedures for the purpose of verifying the actual peanut content of peanut products imported into the United States.

(7) PLANT DISEASES.—The Secretary, in consultation with the heads of other appropriate agencies of the United States, shall ensure that all peanuts in the domestic edible market are inspected and tested to ensure that they are free of all plant diseases.

(8) ADMINISTRATION.—

(A) FEES.—The Secretary shall by regulation fix and collect fees and charges to cover the costs of any inspection or testing performed under this subsection.

(B) CERTIFICATION.—

(i) IN GENERAL.—The Secretary may require the first seller of peanuts sold in the United States to certify that the peanuts comply with this subsection.

(ii) FRAUD AND FALSE STATEMENTS.—Section 1001 of title 18, United States Code, shall apply to a certification made under this subsection.

(C) STANDARDS AND PROCEDURES.—In consultation with the heads of other appropriate agencies of the United States, the Secretary shall establish standards and procedures to provide for the enforcement of, and ensure compliance with, this subsection.

(D) FAILURE TO MEET STANDARDS.—Peanuts or peanut products that fail to meet standards established under this subsection shall be returned to the seller and exported or crushed pursuant to section 358e(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a(d)).

(9) CHANGE OF VENUE.—In any case in which an area pool or a marketing association brings, joins, or seeks to join a civil action in a United States district court to enforce this subsection, the district court may not transfer the action to any other district or division over the objection of the pool or marketing association.

(g) EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.—Section 358c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358c) is amended to read as follows:

**''SEC. 358c. EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.**

''(a) IN GENERAL.—Notwithstanding any other provision of this Act, the Secretary may permit a portion of the poundage quota for peanuts apportioned to any State to be allocated from the quota reserve of the State to land-grant institutions identified in the Act of May 8, 1914 (38 Stat. 372, chapter 79; 7 U.S.C. 341 et seq.), and colleges eligible to receive funds under the Act of August 30, 1890 (26 Stat. 419, chapter 841; 7 U.S.C. 321 et seq.), including Tuskegee Institute and, as appropriate, the Agricultural Research Service of the Department of Agriculture to be used for experimental and research purposes.

''(b) QUANTITY.—The quantity of the quota allocated to an institution under this section shall not exceed the quantity of the quota held by each such institution during the 1985 crop year, except that the total quantity allocated to all institutions in a State shall not exceed 1/10 of 1 percent of the basic quota of the State.

''(c) LIMITATION.—The director of the agricultural experiment station for a State shall be required to ensure, to the extent practicable, that farm operators in the State do not produce quota peanuts under subsection (a) in excess of the quantity needed for experimental and research purposes.

''(d) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.''.

(h) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before ''all brokers and dealers in peanuts'' the following: ''all producers engaged in the production of peanuts,''.

(i) REGULATIONS.—The Secretary of Agriculture shall issue such regulations as are necessary to carry out this section and the amendments made by this section. In issuing the regulations, the Secretary shall—

(1) comply with subchapter II of chapter 5 of title 5, United States Code;

(2) provide public notice through the Federal Register of any such proposed regulations; and

(3) allow adequate time for written public comment prior to the formulation and issuance of any final regulations.

AMENDMENT NO. 3342

Strike the section relating to the peanut program and insert the following:

**SEC. 106. PEANUT PROGRAM.**

(a) PRICE SUPPORT PROGRAM.—

(1) QUOTA PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, and other operations on quota peanuts for each of the 1996 through 2002 crops.

(B) SUPPORT RATES.—

(i) IN GENERAL.—Subject to clause (ii), the national average quota support rate for each of the 1996 through 2002 crops of quota peanuts shall be the national average quota support rate for the immediately preceding crop, adjusted to reflect any increase or decrease, during the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any change in the cost of land and the cost of any assessments required under paragraph (7).

(ii) MAXIMUM RATE.—In no event shall the national average quota support rate for any such crop be increased or decreased by more than 5 percent of the national average quota support rate for the preceding crop.

(C) INSPECTION, HANDLING, OR STORAGE.—The level of support determined under subparagraph (B) shall not be reduced by any deduction for inspection, handling, or storage.

(D) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 104(i).

(E) ANNOUNCEMENT.—The Secretary shall announce the level of support for quota peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

(2) ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1996 through 2002 crops at such levels as the Secretary considers appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, except that the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(B) ANNOUNCEMENT.—The Secretary shall announce the level of support for additional peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

(3) AREA MARKETING ASSOCIATIONS.—

(A) WAREHOUSE STORAGE LOANS.—

(i) IN GENERAL.—In carrying out paragraphs (1) and (2), the Secretary shall make warehouse storage loans available in each of the 3 producing areas described in section 1446.95 of title 7, Code of Federal Regulations (as of January 1, 1989), to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this subsection and sections 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(ii) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—The area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this subsection and sections 358e of the Agricultural Adjustment Act of 1938.

(iii) ASSOCIATION COSTS.—Loans made to an area marketing association under this subparagraph shall include, in addition to the price support value of the peanuts, such costs as the association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this subsection and sections 358e of the Agricultural Adjustment Act of 1938.

(B) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(i) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Peanuts produced outside New Mexico shall not be eligible for entry into or participation in the separate pools established for Valencia peanuts produced in New Mexico. Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(ii) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(I) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool plus an amount from all additional pool gains equal to any loss on disposition of all peanuts in the pool for quota peanuts.

(II) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in subclause (I).

(4) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(A) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(2)(B)(v) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)).

(B) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(C) ADDITIONAL PEANUT GAINS.—Further losses in an area quota pool shall be offset by gains or profits attributable to sales of additional peanuts in that area for domestic edible and other uses.

(D) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under paragraph (7) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under paragraph (7) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(E) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(2)(B)(v) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)), shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(F) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under paragraph (7) by such an amount as the Secretary considers necessary to cover the losses. Amounts collected under paragraph (7) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

(5) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no price support may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)).

(6) QUALITY IMPROVEMENT.—

(A) PRICE SUPPORT PEANUTS.—With respect to peanuts under price support loan, the Secretary shall—

(i) promote the crushing of peanuts at a greater risk of deterioration before peanuts at a lesser risk of deterioration;

(ii) ensure that all Commodity Credit Corporation loan stocks of peanuts sold for domestic edible use are shown to have been officially inspected by licensed Department of Agriculture inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(iii) continue to endeavor to operate the peanut price support program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(iv) ensure that any changes made in the price support program as a result of this paragraph requiring additional production or handling at the farm level are reflected as an upward adjustment in the Department of Agriculture loan schedule.

(B) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts, including peanuts imported into the United States, meet all United States quality standards under Marketing Agreement No. 146 and that importers of the peanuts fully comply with inspection, handling, storage, and processing requirements implemented under Marketing Agreement No. 146. The Secretary shall ensure that peanuts produced for the export market meet quality, inspection, handling, storage, and processing requirements under Marketing Agreement No. 146.

(7) MARKETING ASSESSMENT.—

(A) IN GENERAL.—The Secretary shall provide, by regulation, for a nonrefundable marketing assessment applicable to each of the 1996 through 2002 crops of peanuts. The assessment shall be made in accordance with this paragraph and shall be on a per pound basis in an amount equal to 1.2 percent of the national average quota or additional peanut support rate per pound, as applicable, for the applicable crop. No peanuts shall be assessed more than 1.2 percent of the applicable support rate under this paragraph.

(B) FIRST PURCHASERS.—

(i) IN GENERAL.—Except as provided under subparagraphs (C) and (D), the first purchaser of peanuts shall—

(I) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by .65 percent of the applicable national average support rate;

(II) pay, in addition to the amount collected under subclause (I), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average support rate; and

(III) remit the amounts required under subclauses (I) and (II) to the Commodity Credit Corporation in a manner specified by the Secretary.

(ii) IMPORTED PEANUTS.—In the case of imported peanuts, the first purchaser shall pay to the Commodity Credit Corporation, in a manner specified by the Secretary, a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by 1.2 percent of the national average support rate for additional peanuts.

(iii) DEFINITION.—In this paragraph, the term ''first purchaser'' means a person acquiring peanuts from a producer, except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

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

(D) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a price support loan made under this subsection, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For the purposes of computing net gains on peanuts under this subsection, the reduction in loan proceeds shall be treated as having been paid to the producer.

(E) PENALTIES.—If any person fails to collect or remit the reduction required by this paragraph or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this paragraph, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(i) the quantity of peanuts involved in the violation; by

(ii) the national average quota peanut price support level for the applicable crop year.

(F) ENFORCEMENT.—The Secretary may enforce this paragraph in the courts of the United States.

(8) CROPS.—Notwithstanding any other provision of law, this subsection shall be effective only for the 1996 through 2002 crops of peanuts.

(b) SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS.—Section 371 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371) shall not be applicable to the 1996 through 2002 crops of peanuts.

(c) NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS.—Section 358–1 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1) is amended to read as follows:

**''SEC. 358–1. NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.**

''(a) NATIONAL POUNDAGE QUOTAS.—

''(1) ESTABLISHMENT.—The national poundage quota for peanuts for each of the 1996 through 2002 marketing years shall be established by the Secretary at a level that is equal to the quantity of peanuts (in tons) that the Secretary estimates will be devoted in each such marketing year to domestic edible and related uses, excluding seed. The Secretary shall include in the annual estimate of domestic edible and related uses, the estimated quantity of peanuts and peanut products to be imported into the United States for the marketing year for which the quota is being established.

''(2) ANNOUNCEMENT.—The national poundage quota for a marketing year shall be announced by the Secretary not later than the December 15 preceding the marketing year.

''(3) APPORTIONMENT AMONG STATES.—The national poundage quota established under paragraph (1) shall be apportioned among the States so that the poundage quota allocated to each State is equal to the percentage of the national poundage quota allocated to farms in the State for 1995.

''(b) FARM POUNDAGE QUOTAS.—

''(1) IN GENERAL.—

''(A) ESTABLISHMENT.—A farm poundage quota for each of the 1996 through 2002 marketing years shall be established—

''(i) for each farm that had a farm poundage quota for peanuts for the 1995 marketing year;

''(ii) if the poundage quota apportioned to a State under subsection (a)(3) for any such marketing year is larger than the quota for the immediately preceding marketing year, for each other farm on which peanuts were produced for marketing in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary; and

''(iii) as approved and determined by the Secretary under section 358c, for each farm on which peanuts are produced in connection with experimental and research programs.

''(B) QUANTITY.—

''(i) IN GENERAL.—The farm poundage quota for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(i) shall be the same as the farm poundage quota for the farm for the immediately preceding marketing year, as adjusted under paragraph (2), but not including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

''(ii) INCREASED QUOTA.—The farm poundage quota, if any, for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(ii) shall be equal to the quantity of peanuts allocated to the farm for the year under paragraph (2).

''(C) TRANSFERS.—For purposes of this subsection, if the farm poundage quota, or any part of the quota, is permanently transferred in accordance with section 358b, the receiving farm shall be considered as possessing the farm poundage quota (or portion of the quota) of the transferring farm for all subsequent marketing years.

''(2) ADJUSTMENTS.—

''(A) ALLOCATION OF INCREASED QUOTA GENERALLY.—Subject to subparagraphs (B) and (D), if the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is increased over the poundage quota apportioned to farms in the State for the immediately preceding marketing year, the increase shall be allocated proportionately, based on farm production history for peanuts for the 3 immediately preceding years, among—

''(i) all farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made; and

''(ii) all other farms in the State on which peanuts were produced in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary.

''(B) TEMPORARY QUOTA ALLOCATION.—

''(i) IN GENERAL.—Subject to clause (iv), temporary allocation of a poundage quota for the marketing year in which a crop of peanuts is planted shall be made to producers for each of the 1996 through 2002 marketing years in accordance with this subparagraph.

''(ii) QUANTITY.—The temporary quota allocation shall be equal to the quantity of seed peanuts (in pounds) planted on a farm, as determined in accordance with regulations issued by the Secretary.

''(iii) ALLOCATION.—The allocation of quota pounds to producers under this subparagraph shall be performed in such a manner as will not result in a net decrease in quota pounds on a farm in excess of 3 percent, after the temporary seed quota is added, from the basic farm quota for the 1995 marketing year. A decrease shall occur only once, shall be applicable only to the 1996 marketing year.

''(iv) NO INCREASED COSTS.—The Secretary may carry out this subparagraph only if this subparagraph does not result in—

''(I) an increased cost to the Commodity Credit Corporation through displacement of quota peanuts by additional peanuts in the domestic market;

''(II) an increased loss in a loan pool of an area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act; or

''(III) other increased costs.

''(v) TRANSFER OF ADDITIONAL PEANUTS.—

''(I) IN GENERAL.—Except as provided in subclause (II), additional peanuts on a farm from which the quota poundage was not harvested and marketed may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall provide by regulation.

''(II) LIMITATIONS.—The poundage of peanuts transferred under subclause (I) shall not exceed 25 percent of the total farm poundage quota, excluding pounds transferred in the fall.

''(III) SUPPORT RATE.—Peanuts transferred under this clause shall be supported at a rate of 70 percent of the quota support rate for the marketing years during which the transfers occur.

''(vi) USE OF QUOTA AND ADDITIONAL PEANUTS.—Nothing in this subparagraph affects the requirements of section 358b(b).

''(vii) ADDITIONAL ALLOCATION.—The temporary allocation of quota pounds under this subparagraph shall be in addition to the farm poundage quota established under this subsection and shall be credited to the producers of the peanuts on the farm in accordance with regulations issued by the Secretary.

''(C) DECREASE.—If the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is decreased from the poundage quota apportioned to farms in the State under subsection (a)(3) for the immediately preceding marketing year, the decrease shall be allocated among all the farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made.

''(D) SPECIAL RULE ON TENANT'S SHARE OF INCREASED QUOTA.—Subject to terms and conditions prescribed by the Secretary, on farms that were leased to a tenant for peanut production, the tenant shall share equally with the owner of the farm in the percentage of the quota made available under subparagraph (A) and otherwise allocated to the farm as the result of the production of the tenant on the farm of additional peanuts. Not later than April 1 of each year or as soon as practicable during the year, the share of

the tenant of any such quota shall be allocated to a farm within the county owned by the tenant or sold by the tenant to the owner of any farm within the county and permanently transferred to the farm. Any quota not so disposed of as provided in this subparagraph shall be allocated to other quota farms in the State under paragraph (6) as part of the quota reduced from farms in the State due to the failure to produce the quota.

''(3) QUOTA NOT PRODUCED.—

''(A) IN GENERAL.—Insofar as practicable and on such fair and equitable basis as the Secretary may by regulation prescribe, the farm poundage quota established for a farm for any of the 1996 through 2002 marketing years shall be reduced to the extent that the Secretary determines that the farm poundage quota established for the farm for any 2 of the 3 marketing years preceding the marketing year for which the determination is being made was not produced, or considered produced, on the farm.

''(B) EXCLUSIONS.—For the purposes of this paragraph, the farm poundage quota for any such preceding marketing year shall not include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

''(4) QUOTA CONSIDERED PRODUCED.—

''(A) IN GENERAL.—For purposes of this subsection, subject to subparagraph (B), the farm poundage quota shall be considered produced on a farm if—

''(i) the farm poundage quota was not produced on the farm because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, as determined by the Secretary;

''(ii) the farm poundage quota for the farm was released voluntarily under paragraph (7) for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; or

''(iii) the farm poundage quota was leased to another owner or operator of a farm within the same county for transfer to the farm for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made.

''(B) MARKETING YEARS.—For purposes of clauses (ii) and (iii) of subparagraph (A)—

''(i) the farm poundage quota leased or transferred shall be considered produced for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; and

''(ii) the farm shall not be considered to have produced for more than 1 marketing year out of the 3 immediately preceding marketing years.

''(5) QUOTA PERMANENTLY RELEASED.—Notwithstanding any other provision of law—

''(A) the farm poundage quota established for a farm under this subsection, or any part of the quota, may be permanently released by the owner of the farm, or the operator with the permission of the owner; and

''(B) the poundage quota for the farm for which the quota is released shall be adjusted downward to reflect the quota that is released.

''(6) ALLOCATION OF QUOTAS REDUCED OR RELEASED.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the total quantity of the farm poundage quotas reduced or voluntarily released from farms in a State for any marketing year under paragraphs (3) and (5) shall be allocated, as the Secretary may by regulation prescribe, to other farms in the State on which peanuts were produced in at least 2 of the 3 crop years immediately preceding the year for which the allocation is being made.

''(B) SET-ASIDE FOR FARMS WITH NO QUOTA.—The total amount of farm poundage quota to be allocated in the State under subparagraph (A) shall be allocated to farms in the State for which no farm poundage quota was established for the crop of the immediately preceding year. The allocation to any such farm shall not exceed the average farm production of peanuts for the 3 immediately preceding years during which peanuts were produced on the farm. Any farm poundage quota remaining after allocation to farms under this subparagraph shall be allocated to farms in the State on which poundage quotas were established for the crop of the immediately preceding year.

''(7) QUOTA TEMPORARILY RELEASED.—

''(A) IN GENERAL.—The farm poundage quota, or any portion of the quota, established for a farm for a marketing year may be voluntarily released to the Secretary to the extent that the quota, or any part of the quota, will not be produced on the farm for the marketing year. Any farm poundage quota so released in a State shall be allocated to other farms in the State on such basis as the Secretary may by regulation prescribe.

''(B) EFFECTIVE PERIOD.—Except as otherwise provided in this section, any adjustment in the farm poundage quota for a farm under subparagraph (A) shall be effective only for the marketing year for which the adjustment is made and shall not be taken into consideration in establishing a farm poundage quota for the farm from which the quota was released for any subsequent marketing year.

''(c) FARM YIELDS.—

''(1) IN GENERAL.—For each farm for which a farm poundage quota is established under subsection (b), and when necessary for purposes of this Act, a farm yield of peanuts shall be determined for each such farm.

''(2) QUANTITY.—The yield shall be equal to the average of the actual yield per acre on the farm for each of the 3 crop years in which yields were highest on the farm during the 5-year period consisting of the 1973 through 1977 crop years.

''(3) APPRAISED YIELDS.—If peanuts were not produced on the farm in at least 3 years during the 5-year period or there was a substantial change in the operation of the farm during the period (including a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that quantity determined to be fair and reasonable on the basis of yields established for similar farms that are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

''(d) REFERENDUM RESPECTING POUNDAGE QUOTAS.—

''(1) IN GENERAL.—Not later than December 15 of each calendar year, the Secretary shall conduct a referendum of producers engaged in the production of quota peanuts in the calendar year in which the referendum is held to determine whether the producers are in favor of or opposed to poundage quotas with respect to the crops of peanuts produced in the 5 calendar years immediately following the year in which the referendum is held, except that, if at least ⅔ of the producers voting in any referendum vote in favor of poundage quotas, no referendum shall be held with respect to quotas for the remaining years of the 5-calendar year period.

''(2) PROCLAMATION.—The Secretary shall proclaim the result of the referendum within 30 days after the date on which the referendum is held.

''(3) VOTE AGAINST QUOTAS.—If more than ⅓ of the producers voting in the referendum vote against poundage quotas, the Secretary shall proclaim that poundage quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held.

''(e) DEFINITIONS.—In this part and the Agricultural Market Transition Act:

''(1) ADDITIONAL PEANUTS.—The term 'additional peanuts' means, for any marketing year—

''(A) any peanuts that are marketed from a farm for which a farm poundage quota has been established and that are in excess of the marketings of quota peanuts from the farm for the year; and

''(B) all peanuts marketed from a farm for which no farm poundage quota has been established in accordance with subsection (b).

''(2) CRUSH.—The term 'crush' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary.

''(3) DOMESTIC EDIBLE USE.—The term 'domestic edible use' means use for milling to produce domestic food peanuts (other than a use described in paragraph (2)) and seed and use on a farm, except that the Secretary may exempt from this paragraph seeds of peanuts that are used to produce peanuts excluded under section 301(b)(18), are unique strains, and are not commercially available.

''(4) QUOTA PEANUTS.—The term 'quota peanuts' means, for any marketing year, any peanuts produced on a farm having a farm poundage quota, as determined under subsection (b), that—

''(A) are eligible for domestic edible use as determined by the Secretary;

''(B) are marketed or considered marketed from a farm; and

''(C) do not exceed the farm poundage quota of the farm for the year.

''(f) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.''.

(d) SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.—Section 358b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b) is amended to read as follows:

**''SEC. 358b. SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA FOR 1996 THROUGH 2000 CROPS OF PEANUTS.**

''(a) IN GENERAL.—

''(1) AUTHORITY.—

''(A) IN GENERAL.—Subject to such terms, conditions, or limitations as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm poundage quota has been established under this Act may sell or lease all or any part of the poundage quota to any other owner or operator of a farm within the same county for transfer to the farm, except that any such lease of poundage quota may be entered into in the fall or after the normal planting season—

''(i) if not less than 90 percent of the basic quota (consisting of the farm quota and temporary quota transfers), plus any poundage quota transferred to the farm under this subsection, has been planted or considered planted on the farm from which the quota is to be leased; and

''(ii) under such terms and conditions as the Secretary may by regulation prescribe.

''(B) FALL TRANSFERS.—

''(i) NO TRANSFER AUTHORIZATION.—In the case of a fall transfer or a transfer after the normal planting season by a cash lessee, the landowner shall not be required to sign the transfer authorization.

''(ii) TIME LIMITATION.—A fall transfer or a transfer after the normal planting season

may be made not later than 72 hours after the peanuts that are the subject of the transfer are inspected and graded.

''(iii) LESSEES.—In the case of a fall transfer, poundage quota from a farm may be leased to an owner or operator of another farm within the same county or to an owner or operator of another farm in any other county within the State.

''(iv) EFFECT OF TRANSFER.—A fall transfer of poundage quota shall not affect the farm quota history for the transferring or receiving farm and shall not result in the reduction of the farm poundage quota on the transferring farm.

''(2) TRANSFERS TO OTHER SELF-OWNED FARMS.—The owner or operator of a farm may transfer all or any part of the farm poundage quota for the farm to any other farm owned or controlled by the owner or operator that is in the same State and that had a farm poundage quota for the crop of the preceding year, if both the transferring and receiving farms were under the control of the owner or operator for at least 3 crop years prior to the crop year in which the farm poundage quota is to be transferred. Any farm poundage quota transferred under this paragraph shall not result in any reduction in the farm poundage quota for the transferring farm if sufficient acreage is planted on the receiving farm to produce the quota pounds transferred.

''(3) TRANSFERS WITHIN STATES WITH SMALL QUOTAS.—In the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota may be transferred by sale or lease or otherwise from a farm in 1 county to a farm in another county in the same State.

''(4) TRANSFERS BETWEEN STATES HAVING QUOTAS OF LESS THAN 10,000 TONS.—Notwithstanding paragraphs (1) through (3), in the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota up to 1,000 tons may be transferred by sale or lease from a farm in 1 such State to a farm in another such State.

''(5) TRANSFERS BY SALE IN STATES HAVING QUOTAS OF 10,000 TONS OR MORE.—

''(A) IN GENERAL.—Subject to the other provisions of this paragraph and such terms and conditions as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm quota has been established under this Act in a State having a poundage quota of 10,000 tons or more may sell poundage quota to any other eligible owner or operator of a farm within the same State.

''(B) LIMITATIONS BASED ON TOTAL POUNDAGE QUOTA.—

''(i) 1996 MARKETING YEAR.—Not more than 15 percent of the total poundage quota within a county as of January 1, 1996, may be sold and transferred under this paragraph during the 1996 marketing year.

''(ii) 1997–2002 MARKETING YEARS.—

''(I) IN GENERAL.—Except as provided in subclause (II), not more than 5 percent of the quota pounds remaining in a county as of January 1, 1997, and each January 1 thereafter through January 1, 2002, may be sold and transferred under this paragraph during the applicable marketing year.

''(II) CARRYOVER.—Any eligible quota that is not sold or transferred under clause (i) shall be eligible for sale or transfer under subclause (I).

''(C) COUNTY LIMITATION.—Not more than 40 percent of the total poundage quota within a county may be sold and transferred under this paragraph.

''(D) SUBSEQUENT LEASES OR SALES.—Quota pounds sold and transferred to a farm under this paragraph may not be leased or sold by the farm to another owner or operator of a farm within the same State for a period of 5 years following the date of the original transfer to the farm.

''(E) APPLICATION.—This paragraph shall not apply to a sale within the same county or to any sale, lease, or transfer described in paragraph (1).

''(b) CONDITIONS.—Transfers (including transfer by sale or lease) of farm poundage quotas under this section shall be subject to all of the following conditions:

''(1) LIENHOLDERS.—No transfer of the farm poundage quota from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders.

''(2) TILLABLE CROPLAND.—No transfer of the farm poundage quota shall be permitted if the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) determines that the receiving farm does not have adequate tillable cropland to produce the farm poundage quota.

''(3) RECORD.—No transfer of the farm poundage quota shall be effective until a record of the transfer is filed with the county committee of each county to, and from, which the transfer is made and each committee determines that the transfer complies with this section.

''(4) OTHER TERMS.—The Secretary may establish by regulation other terms and conditions.

''(c) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2000 crops of peanuts.''.

(e) MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS.—Section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a) is amended to read as follows:

**''SEC. 358e. MARKETING PENALTIES AND DISPOSITION OF ADDITIONAL PEANUTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.**

''(a) MARKETING PENALTIES.—

''(1) IN GENERAL.—

''(A) MARKETING PEANUTS IN EXCESS OF QUOTA.—The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which the peanuts are produced shall be subject to a penalty at a rate equal to 140 percent of the support price for quota peanuts for the marketing year in which the marketing occurs. The penalty shall not apply to the marketing of breeder or Foundation seed peanuts grown and marketed by a publicly owned agricultural experiment station (including a State operated seed organization) under such regulations as the Secretary may prescribe.

''(B) MARKETING YEAR.—For purposes of this section, the marketing year for peanuts shall be the 12-month period beginning August 1 and ending July 31.

''(C) MARKETING ADDITIONAL PEANUTS.—The marketing of any additional peanuts from a farm shall be subject to the same penalty as the penalty prescribed in subparagraph (A) unless the peanuts, in accordance with regulations established by the Secretary, are—

''(i) placed under loan at the additional loan rate in effect for the peanuts under section 106 of the Agricultural Market Transition Act and not redeemed by the producers;

''(ii) marketed through an area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act; or

''(iii) marketed under contracts between handlers and producers pursuant to subsection (f).

''(2) PAYER.—The penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer or, if the peanuts are marketed by the producer through an agent, the penalty shall be paid by the agent. The person or agent may deduct an amount equivalent to the penalty from the price paid to the producer.

''(3) FAILURE TO COLLECT.—If the person required to collect the penalty fails to collect the penalty, the person and all persons entitled to share in the peanuts marketed from the farm or the proceeds of the marketing shall be jointly and severally liable with the persons who failed to collect the penalty for the amount of the penalty.

''(4) APPLICATION OF QUOTA.—Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning in the calendar year shall be subject to the quotas even though the peanuts are marketed prior to the date on which the marketing year begins.

''(5) FALSE INFORMATION.—If any producer falsely identifies, fails to accurately certify planted acres, or fails to account for the disposition of any peanuts produced on the planted acres, a quantity of peanuts equal to the greater of the average or actual yield of the farm, as determined by the Secretary, multiplied by the number of planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts. Any penalty payable under this paragraph shall be paid and remitted by the producer.

''(6) UNINTENTIONAL VIOLATIONS.—The Secretary shall authorize, under such regulations as the Secretary shall issue, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or reduce marketing penalties provided for under this subsection in cases with respect to which the committees determine that the violations that were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned.

''(7) DE MINIMIS VIOLATIONS.—An error in weight that does not exceed 1/10 of 1 percent in the case of any 1 marketing document shall not be considered to be a marketing violation except in a case of fraud or conspiracy.

''(b) USE OF QUOTA AND ADDITIONAL PEANUTS.—

''(1) QUOTA PEANUTS.—Only quota peanuts may be retained for use as seed or for other uses on a farm. When peanuts are so retained, the retention shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts for the quantity involved that are used to produce peanuts excluded under section 301(b)(18), are unique strains, and are not commercially available.

''(2) ADDITIONAL PEANUTS.—Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use, except as provided in subsection (g).

''(3) SEED.—Except as provided in paragraph (1), seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

''(c) MARKETING PEANUTS WITH EXCESS QUANTITY, GRADE, OR QUALITY.—On a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by the handler from the crop for the marketing year, the handler shall be subject to a penalty equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts

that the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

''(d) HANDLING AND DISPOSAL OF ADDITIONAL PEANUTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act.

''(2) NONSUPERVISION OF HANDLERS.—

''(A) IN GENERAL.—Supervision of the handling and disposal of additional peanuts by a handler shall not be required under paragraph (1) if the handler agrees in writing, prior to any handling or disposal of the peanuts, to comply with regulations that the Secretary shall issue.

''(B) REGULATIONS.—The regulations issued by the Secretary under subparagraph (A) shall include the following provisions:

''(i) TYPES OF EXPORTED OR CRUSHED PEANUTS.—Handlers of shelled or milled peanuts may export or crush peanuts classified by type in each of the following quantities:

''(I) SOUND SPLIT KERNEL PEANUTS.—Sound split kernel peanuts purchased by the handler as additional peanuts to which, under price support loan schedules, a mandated deduction with respect to the price paid to the producer of the peanuts would be applied due to the percentage of the sound splits.

''(II) SOUND MATURE KERNEL PEANUTS.—Sound mature kernel peanuts (which term includes sound split kernel peanuts and sound whole kernel peanuts) in an amount equal to the poundage of the peanuts purchased by the handler as additional peanuts, less the total poundage of sound split kernel peanuts described in subclause (I).

''(III) REMAINDER.—The remaining quantity of total kernel content of peanuts purchased by the handler as additional peanuts.

''(ii) DOCUMENTATION.—Handlers shall ensure that any additional peanuts exported or crushed are evidenced by onboard bills of lading or other appropriate documentation as may be required by the Secretary, or both.

''(iii) LOSS OF PEANUTS.—If a handler suffers a loss of peanuts as a result of fire, flood, or any other condition beyond the control of the handler, the portion of the loss allocated to contracted additional peanuts shall not be greater than the portion of the total peanut purchases of the handler for the year attributable to contracted additional peanuts purchased for export or crushing by the handler during the year.

''(iv) SHRINKAGE ALLOWANCE.—

''(I) IN GENERAL.—The obligation of a handler to export or crush peanuts in quantities described in this subparagraph shall be reduced by a shrinkage allowance, to be determined by the Secretary, to reflect actual dollar value shrinkage experienced by handlers in commercial operations, except that the allowance shall not be less than 4 percent, except as provided in subclause (II).

''(II) COMMON INDUSTRY PRACTICES.—The Secretary may provide a lower shrinkage allowance for a handler who fails to comply with restrictions on the use of peanuts, as may be specified by the Commodity Credit Corporation, to take into account common industry practices.

''(3) ADEQUATE FINANCES AND FACILITIES.—A handler shall submit to the Secretary adequate financial guarantees, as well as evidence of adequate facilities and assets, with respect to the facilities under the control and operation of the handler, to ensure the compliance of the handler with the obligation to export peanuts.

''(4) COMMINGLING OF LIKE PEANUTS.—Quota and additional peanuts of like type and segregation or quality may, under regulations issued by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

''(5) PENALTY.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the failure by a handler to comply with regulations issued by the Secretary governing the disposition and handling of additional peanuts shall subject the handler to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts involved in the violation.

''(B) NONDELIVERY.—A handler shall not be subject to a penalty for failure to export additional peanuts if the peanuts were not delivered to the handler.

''(6) REENTRY OF EXPORTED PEANUTS.—

''(A) PENALTY.—If any additional peanuts or peanut products exported by a handler are reentered into the United States in commercial quantities as determined by the Secretary, the importer of the peanuts and peanut products shall be subject to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts reentered.

''(B) RECORDS.—Each person, firm, or handler who imports peanuts into the United States shall maintain such records and documents as are required by the Secretary to ensure compliance with this subsection.

''(e) SPECIAL EXPORT CREDITS.—

''(1) IN GENERAL.—The Secretary shall, with due regard for the integrity of the peanut program, promulgate regulations that will permit any handler of peanuts who manufactures peanut products from domestic edible peanuts to export the products and receive credit for the fulfillment of export obligations for the peanut content of the products against which export credit the handler may subsequently apply, up to the amount of the credit, equivalent quantities of additional peanuts of the same type acquired by the handler and used in the domestic edible market. The peanuts so acquired for the domestic edible market as provided in this subsection shall be of the same crop year as the peanuts used in the manufacture of the products so exported.

''(2) CERTIFICATION.—Under the regulations, the Secretary shall require all handlers who are peanut product manufacturers to submit annual certifications of peanut product content on a product-by-product basis. Any changes in peanut product formulas as affecting peanut content shall be recorded within 90 days after the changes. The Secretary shall conduct an annual review of the certifications. The Secretary shall pursue all available remedies with respect to persons who fail to comply with this paragraph.

''(3) RECORDS.—The Secretary shall require handlers who are peanut product manufacturers to maintain and provide such documents as are necessary to ensure compliance with this subsection and to maintain the integrity of the peanut program.

''(f) CONTRACTS FOR PURCHASE OF ADDITIONAL PEANUTS.—

''(1) IN GENERAL.—A handler may, under such regulations as the Secretary may issue, contract with a producer for the purchase of additional peanuts for crushing or export, or both.

''(2) SUBMISSION TO SECRETARY.—

''(A) CONTRACT DEADLINE.—Any such contract shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval not later than September 15 of the year in which the crop is produced.

''(B) EXTENSION OF DEADLINE.—The Secretary may extend the deadline under subparagraph (A) by up to 15 days in response to damaging weather or related condition (as defined in section 112 of the Disaster Assistance Act of 1989 (Public Law 101–82; 7 U.S.C. 1421 note)). The Secretary shall announce the extension not later than September 5 of the year in which the crop is produced.

''(3) FORM.—The contract shall be executed on a form prescribed by the Secretary. The form shall require such information as the Secretary determines appropriate to ensure the proper handling of the additional peanuts, including the identity of the contracting parties, poundage and category of the peanuts, the disclosure of any liens, and the intended disposition of the peanuts.

''(4) INFORMATION FOR HANDLING AND PROCESSING ADDITIONAL PEANUTS.—Notwithstanding any other provision of this section, any person wishing to handle and process additional peanuts as a handler shall submit to the Secretary (or if designated by the Secretary, the area marketing association), such information as may be required under subsection (d) by such date as is prescribed by the Secretary so as to permit final action to be taken on the application by July 1 of each marketing year.

''(5) TERMS.—Each such contract shall contain the final price to be paid by the handler for the peanuts involved and a specific prohibition against the disposition of the peanuts for domestic edible or seed use.

''(6) SUSPENSION OF RESTRICTIONS ON IMPORTED PEANUTS.—Notwithstanding any other provision of this Act, if the President issues a proclamation under section 404(b) of the Uruguay Round Agreements Act (19 U.S.C. 3601(b)) expanding the quantity of peanuts subject to the in-quota rate of duty under a tariff-rate quota, or under section 22 of the Agricultural Adjustment Act (7 U.S.C. 624), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, temporarily suspending restrictions on the importation of peanuts, the Secretary shall, subject to such terms and conditions as the Secretary may prescribe, permit a handler, with the written consent of the producer, to purchase additional peanuts from any producer who contracted with the handler and to offer the peanuts for sale for domestic edible use.

''(g) MARKETING OF PEANUTS OWNED OR CONTROLLED BY THE COMMODITY CREDIT CORPORATION.—

''(1) IN GENERAL.—Subject to section 104(k) of the Agricultural Market Transition Act, any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use, in accordance with regulations issued by the Secretary, so long as doing so does not result in substantially increased cost to the Commodity Credit Corporation. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices that are not less than the prices that are required to cover all costs incurred with respect to the peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus—

''(A) not less than 100 percent of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season on delivery by and with the written consent of the producer;

''(B) not less than 105 percent of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year; or

''(C) not less than 107 percent of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year.

''(2) ACCEPTANCE OF BIDS BY AREA MARKETING ASSOCIATIONS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), for the period from the date additional peanuts are delivered for loan to March 1 of the calendar year following the year in which the additional peanuts were harvested, the area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act shall have sole authority to accept or reject lot list bids when the sales price, as determined under this subsection, equals or exceeds the minimum price at which the Commodity Credit Corporation may sell the stocks of additional peanuts of the Corporation.

''(B) MODIFICATION.—The area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by subparagraph (A) to facilitate the orderly marketing of additional peanuts.

''(3) PRODUCER MARKETING AND EXPENSES.—Notwithstanding any other provision of this Act, the Secretary shall, in any determination required under paragraphs (1)(B) and (2)(A) of section 106(a) of the Agricultural Market Transition Act, include any additional marketing expenses required by law, excluding the amount of any assessment required under section 106(a)(7) of the Agricultural Market Transition Act.

''(h) ADMINISTRATION.—

''(1) INTEREST.—The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest on the penalty at a rate per annum equal to the rate per annum of interest that was charged the Commodity Credit Corporation by the Treasury of the United States on the date the penalty became due.

''(2) DE MINIMIS QUANTITY.—This section shall not apply to peanuts produced on any farm on which the acreage harvested for peanuts is 1 acre or less if the producers who share in the peanuts produced on the farm do not share in the peanuts produced on any other farm.

''(3) LIENS.—Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which the penalty is incurred, and on any subsequent crop of peanuts subject to farm poundage quotas in which the person liable for payment of the penalty has an interest, shall be in effect in favor of the United States.

''(4) PENALTIES.—

''(A) PROCEDURES.—Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary may by regulation prescribe. The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Federal Government.

''(B) JUDICIAL REVIEW.—Nothing in this section prohibits any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether the determination was made in conformity with applicable law.

''(C) CIVIL PENALTIES.—All penalties imposed under this section shall for all purposes be considered civil penalties.

''(5) REDUCTION OF PENALTIES.—

''(A) IN GENERAL.—Except as provided in subparagraph (B) and notwithstanding any other provision of law, the Secretary may reduce the amount of any penalty assessed against handlers under this section by any appropriate amount, including, in an appropriate case, eliminating the penalty entirely, if the Secretary finds that the violation on which the penalty is based was minor or inadvertent, and that the reduction of the penalty will not impair the operation of the peanut program.

''(B) FAILURE TO EXPORT CONTRACTED ADDITIONAL PEANUTS.—The amount of any penalty imposed on a handler under this section that resulted from the failure to export or crush contracted additional peanuts shall not be reduced by the Secretary.

''(i) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.''.

(f) PEANUT STANDARDS.—

(1) LABELING.—The Secretary shall require that all peanuts and peanut products sold in the United States contain labeling that lists the country or countries in which the peanuts, including all peanuts used to manufacture the peanut products, were produced.

(2) INSPECTION AND TESTING.—

(A) IN GENERAL.—All peanuts and peanut products sold in the United States shall be inspected and tested for grade and quality.

(B) CERTIFICATION.—All peanuts or peanut products offered for sale in, or imported into, the United States shall be accompanied by a certification by the first seller or importer that the peanuts or peanut products do not contain residues of any pesticide not approved for use in, or importation into, the United States.

(3) PEANUT CONTENT.—

(A) OFFSET AGAINST HTS QUANTITY.—The actual quantity of peanuts, by weight, used to manufacture, and ultimately contained in, peanut products imported into the United States shall be accounted for and offset against the total quantity of peanut imports allowed under the in-quota quantity of the tariff-rate quota established for peanuts under the Harmonized Tariff Schedule of the United States.

(B) VERIFICATION.—The Secretary shall establish standards and procedures for the purpose of verifying the actual peanut content of peanut products imported into the United States.

(4) CHANGE OF VENUE.—In any case in which an area pool or a marketing association brings, joins, or seeks to join a civil action in a United States district court to enforce this subsection, the district court may not transfer the action to any other district or division over the objection of the pool or marketing association.

(g) EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.—Section 358c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358c) is amended to read as follows:

**''SEC. 358c. EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.**

''(a) IN GENERAL.—Notwithstanding any other provision of this Act, the Secretary may permit a portion of the poundage quota for peanuts apportioned to any State to be allocated from the quota reserve of the State to land-grant institutions identified in the Act of May 8, 1914 (38 Stat. 372, chapter 79; 7 U.S.C. 341 et seq.), and colleges eligible to receive funds under the Act of August 30, 1890 (26 Stat. 419, chapter 841; 7 U.S.C. 321 et seq.), including Tuskegee Institute and, as appropriate, the Agricultural Research Service of the Department of Agriculture to be used for experimental and research purposes.

''(b) QUANTITY.—The quantity of the quota allocated to an institution under this section shall not exceed the quantity of the quota held by each such institution during the 1985 crop year, except that the total quantity allocated to all institutions in a State shall not exceed 1/10 of 1 percent of the basic quota of the State.

''(c) LIMITATION.—The director of the agricultural experiment station for a State shall be required to ensure, to the extent practicable, that farm operators in the State do not produce quota peanuts under subsection (a) in excess of the quantity needed for experimental and research purposes.

''(d) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.''.

(h) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before ''all brokers and dealers in peanuts'' the following: ''all producers engaged in the production of peanuts,''.

(i) REGULATIONS.—The Secretary of Agriculture shall issue such regulations as are necessary to carry out this section and the amendments made by this section. In issuing the regulations, the Secretary shall—

(1) comply with subchapter II of chapter 5 of title 5, United States Code;

(2) provide public notice through the Federal Register of any such proposed regulations; and

(3) allow adequate time for written public comment prior to the formulation and issuance of any final regulations.

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AMENDMENT NO. 3343

Strike the section relating to the peanut program and insert the following:

**SEC. 106. PEANUT PROGRAM.**

(a) QUOTA PEANUTS.—

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

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

(3) INSPECTION, HANDLING, OR STORAGE.—The loan amount may not be reduced by the Secretary by any deductions for inspection, handling, or storage.

(4) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments in the loan rate for quota peanuts for location of peanuts and such other factors as are authorized by section 411 of the Agricultural Adjustment Act of 1938.

(b) ADDITIONAL PEANUTS.—

(1) IN GENERAL.—

(A) RATES.—Subject to subparagraph (B), the Secretary shall make nonrecourse loans available to producers of additional peanuts at such rates as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets.

(B) LIMITATION.—The Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(2) ANNOUNCEMENT.—The Secretary shall announce the loan rate for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the loan rate is being determined.

(c) AREA MARKETING ASSOCIATIONS.—

(1) WAREHOUSE STORAGE LOANS.—

(A) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make

warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

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

(C) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include such costs as the area marketing association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(2) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico.

(B) ELIGIBILITY TO PARTICIPATE.—

(i) IN GENERAL.—Except as provided in clause (ii), in the case of the 1996 and subsequent crops, Valencia peanuts not physically produced in the State of New Mexico shall not be eligible to participate in the pools of the State.

(ii) EXCEPTION.—A resident of the State of New Mexico may enter Valencia peanuts that are produced outside of the State into the pools of the State in a quantity that is not greater than the 1995 crop of the resident.

(C) TYPES OF PEANUTS.—Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(D) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(i) QUOTA PEANUTS.—For quota peanuts, the sum of—

(I) the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool; and

(II) an amount from all additional pool gains equal to any loss on the disposition of all peanuts in the pool for quota peanuts.

(ii) ADDITIONAL PEANUTS.—For additional peanuts, the difference between—

(I) the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts; and

(II) any amount allocated to offset any loss on the pool for quota peanuts.

(d) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(1) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)).

(2) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(3) ADDITIONAL PEANUT GAINS.—Further losses in an area quota pool shall be offset by gains or profits attributable to sales of additional peanuts in that area for domestic edible and other uses.

(4) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under subsection (g) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under subsection (g) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(5) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)), shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(6) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under subsection (g) by such an amount as the Secretary considers necessary to cover the losses. Amounts collected under subsection (g) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

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

(f) QUALITY IMPROVEMENT.—

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

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

(B) ensure that all Commodity Credit Corporation inventories of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(C) continue to endeavor to operate the peanut program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

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

(2) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts in the domestic and export markets fully comply with all quality standards under Marketing Agreement No. 146.

(g) MARKETING ASSESSMENT.—

(1) IN GENERAL.—The Secretary shall provide for a nonrefundable marketing assessment. The assessment shall be made on a per pound basis in an amount equal to 1.1 percent for each of the 1994 and 1995 crops, 1.15 percent for the 1996 crop, and 1.2 percent for each of the 1997 through 2002 crops, of the national average quota or additional peanut loan rate for the applicable crop.

(2) FIRST PURCHASERS.—

(A) IN GENERAL.—Except as provided under paragraphs (3) and (4), the first purchaser of peanuts shall—

(i) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by—

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

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

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

(ii) pay, in addition to the amount collected under clause (i), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average loan rate; and

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

(B) DEFINITION OF FIRST PURCHASER.—In this subsection, the term ''first purchaser'' means a person acquiring peanuts from a producer except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

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

(4) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(5) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with the requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

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

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

(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

(h) CROPS.—Subsections (a) through (f) shall be effective only for the 1996 through 2002 crops of peanuts.

(i) MARKETING QUOTAS.—

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

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

(i) in the section heading, by striking ''**1991 through 1997 crops of**'';

(ii) in subsections (a)(1), (b)(1)(B), (b)(2)(A), (b)(2)(C), and (b)(3)(A), by striking ''of the 1991 through 1997 marketing years'' each place it appears and inserting ''marketing year'';

(iii) in subsection (a)(3), by striking ''1990'' and inserting ''1990, for the 1991 through 1995

marketing years, and 1995, for the 1996 through 2002 marketing years'';

(iv) in subsection (b)(1)(A)—

(I) by striking ''each of the 1991 through 1997 marketing years'' and inserting ''each marketing year''; and

(II) in clause (i), by inserting before the semicolon the following: '', in the case of the 1991 through 1995 marketing years, and the 1995 marketing year, in the case of the 1996 through 2002 marketing years''; and

(v) in subsection (f), by striking ''1997'' and inserting ''2002'';

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking ''**1991 through 1995 crops of**''; and

(ii) in subsection (c), by striking ''1995'' and inserting ''2002'';

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking ''1995'' and inserting ''2002''; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking ''**for 1991 through 1997 crops of peanuts**''; and

(ii) in subsection (i), by striking ''1997'' and inserting ''2002''.

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

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

(A) in subsection (a)(1), by striking ''domestic edible, seed,'' and inserting ''domestic edible use'';

(B) in subsection (b)(2)—

(i) in subparagraph (A), by striking ''subparagraph (B) and subject to''; and

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

''(B) TEMPORARY QUOTA ALLOCATION.—

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

''(ii) QUANTITY.—The temporary quota allocation shall be equal to the pounds of seed peanuts planted on the farm, as may be adjusted under regulations prescribed by the Secretary.

''(iii) ADDITIONAL QUOTA.—The temporary allocation of quota pounds under this paragraph shall be in addition to the farm poundage quota otherwise established under this subsection and shall be credited, for the applicable marketing year only, in total to the producer of the peanuts on the farm in a manner prescribed by the Secretary.

''(iv) EFFECT OF OTHER REQUIREMENTS.—Nothing in this section alters or changes the requirements regarding the use of quota and additional peanuts established by section 358e(b).''; and

(C) in subsection (e)(3), strike ''and seed and use on a farm''.

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

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

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

(ii) in paragraph (3)(B), by striking ''include—'' and clauses (i) and (ii) and inserting ''include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).''; and

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

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

(i) in paragraph (1), by striking ''(including any applicable under marketings)'' both places it appears;

(ii) in paragraph (1)(A), by striking ''of undermarketings and'';

(iii) in paragraph (2), by striking ''(including any applicable under marketings)''; and

(iv) in paragraph (3), by striking ''(including any applicable undermarketings)''.

(5) DISASTER TRANSFERS.—Section 358–1(b) of the Act (7 U.S.C. 1358–1(b)), as amended by paragraph (4)(A)(iii), is further amended by adding at the end the following:

''(8) DISASTER TRANSFERS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts produced on a farm from which the quota poundage was not harvested and marketed because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation provide.

''(B) LIMITATION.—The poundage of peanuts transferred under subparagraph (A) shall not exceed the difference between—

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

''(ii) the total farm poundage quota, excluding quota pounds transferred to the farm in the fall.

''(C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at 70 percent of the quota support rate for the marketing years in which the transfers occur. The transfers for a farm shall not exceed 25 percent of the total farm quota pounds, excluding pounds transferred in the fall.''.

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AMENDMENT NO. 3344

Strike the section relating to the peanut program and insert the following:

**SEC. 106. PEANUT PROGRAM.**

(a) QUOTA PEANUTS.—

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

(2) LOAN RATE.—The national average quota loan rate for quota peanuts shall be $678 per ton.

(3) INSPECTION, HANDLING, OR STORAGE.—The loan amount may not be reduced by the Secretary by any deductions for inspection, handling, or storage.

(4) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments in the loan rate for quota peanuts for location of peanuts and such other factors as are authorized by section 411 of the Agricultural Adjustment Act of 1938.

(b) ADDITIONAL PEANUTS.—

(1) IN GENERAL.—

(A) RATES.—Subject to subparagraph (B), the Secretary shall make nonrecourse loans available to producers of additional peanuts at such rates as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets.

(B) LIMITATION.—The Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(2) ANNOUNCEMENT.—The Secretary shall announce the loan rate for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the loan rate is being determined.

(c) AREA MARKETING ASSOCIATIONS.—

(1) WAREHOUSE STORAGE LOANS.—

(A) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

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

(C) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include such costs as the area marketing association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(2) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico.

(B) ELIGIBILITY TO PARTICIPATE.—

(i) IN GENERAL.—Except as provided in clause (ii), in the case of the 1996 and subsequent crops, Valencia peanuts not physically produced in the State of New Mexico shall not be eligible to participate in the pools of the State.

(ii) EXCEPTION.—A resident of the State of New Mexico may enter Valencia peanuts that are produced outside of the State into the pools of the State in a quantity that is not greater than the 1995 crop of the resident.

(C) TYPES OF PEANUTS.—Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(D) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(i) QUOTA PEANUTS.—For quota peanuts, the sum of—

(I) the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool; and

(II) an amount from all additional pool gains equal to any loss on the disposition of all peanuts in the pool for quota peanuts.

(ii) ADDITIONAL PEANUTS.—For additional peanuts, the difference between—

(I) the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts; and

(II) any amount allocated to offset any loss on the pool for quota peanuts.

(d) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(1) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under

section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)).

(2) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(3) ADDITIONAL PEANUT GAINS.—Further losses in an area quota pool shall be offset by gains or profits attributable to sales of additional peanuts in that area for domestic edible and other uses.

(4) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under subsection (g) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under subsection (g) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(5) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)), shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(6) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under subsection (g) by such an amount as the Secretary considers necessary to cover the losses. Amounts collected under subsection (g) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

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

(f) QUALITY IMPROVEMENT.—

(1) IN GENERAL.—

(A) PEANUTS UNDER LOAN.—With respect to peanuts under loan, the Secretary shall—

(i) promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;

(ii) ensure that all Commodity Credit Corporation inventories of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(iii) continue to endeavor to operate the peanut program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

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

(B) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts in the domestic and export markets fully comply with all quality standards under Marketing Agreement No. 146.

(2) PEANUT STANDARDS.—

(A) INSPECTION; QUALITY ASSURANCE.—

(i) INITIAL ENTRY.—The Secretary shall require all peanuts and peanut products sold in the United States to be initially placed in a bonded, licensed warehouse approved by the Secretary for the purpose of inspection and grading by the Secretary, the Commissioner of the Food and Drug Administration, and the heads of other appropriate agencies of the United States.

(ii) PRELIMINARY INSPECTION.—Peanuts and peanut products shall be held in the warehouse until inspected by the Secretary, the Commissioner of the Food and Drug Administration, or the head of another appropriate agency of the United States, for chemical residues, general cleanliness, disease, size, aflatoxin, stripe virus, and other harmful conditions, and an assurance of compliance with all grade and quality standards specified under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937).

(iii) SEPARATION OF LOTS.—All imported peanuts shall be maintained separately from, and shall not be commingled with, domestically produced peanuts in the warehouse.

(iv) ORIGIN OF PEANUT PRODUCTS.—

(I) LABELING.—A peanut product shall be labeled with a label that indicates the origin of the peanuts contained in the product.

(II) SOURCE.—No peanut product may contain both imported and domestically produced peanuts.

(III) IMPORTED PEANUT PRODUCTS.—The first seller of an imported peanut product shall certify that the product is made from raw peanuts that meet the same quality and grade standards that apply to domestically produced peanuts.

(v) DOCUMENTATION.—No peanuts or peanut products may be transferred, shipped, or otherwise released from a warehouse described in clause (i) unless accompanied by a United States Government inspection certificate that certifies compliance with this subparagraph.

(B) HANDLING AND STORAGE.—

(i) TEMPERATURE AND HUMIDITY.—The Secretary shall require all shelled peanuts sold in the United States to be maintained at a temperature of not more than 37 degrees Fahrenheit and a humidity range of 60 to 68 percent at all times during handling and storage prior to sale and shipment.

(ii) CONTAINERS.—The peanuts shall be shipped in a container that provides the maximum practicable protection against moisture and insect infestation.

(iii) IN-SHELL PEANUTS.—The Secretary shall require that all in-shell peanuts be reduced to a moisture level not exceeding 10 percent immediately on being harvested and be stored in a facility that will ensure quality maintenance and will provide proper ventilation at all times prior to sale and shipment.

(C) LABELING.—The Secretary shall require that all peanuts and peanut products sold in the United States contain labeling that lists the country or countries in which the peanuts, including all peanuts used to manufacture the peanut products, were produced.

(D) INSPECTION AND TESTING.—

(i) IN GENERAL.—All peanuts and peanut products sold in the United States shall be inspected and tested for grade and quality.

(ii) CERTIFICATION.—All peanuts or peanut products offered for sale in, or imported into, the United States shall be accompanied by a certification by the first seller or importer that the peanuts or peanut products do not contain residues of any pesticide not approved for use in, or importation into, the United States.

(E) NUTRITIONAL LABELING.—The Secretary shall require all peanuts and peanut products sold in the United States to contain complete nutritional labeling information as required under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.).

(F) PEANUT CONTENT.—

(i) OFFSET AGAINST HTS QUANTITY.—The actual quantity of peanuts, by weight, used to manufacture, and ultimately contained in, peanut products imported into the United States shall be accounted for and offset against the total quantity of peanut imports allowed under the in-quota quantity of the tariff-rate quota established for peanuts under the Harmonized Tariff Schedule of the United States.

(ii) VERIFICATION.—The Secretary shall establish standards and procedures for the purpose of verifying the actual peanut content of peanut products imported into the United States.

(G) PLANT DISEASES.—The Secretary, in consultation with the heads of other appropriate agencies of the United States, shall ensure that all peanuts in the domestic edible market are inspected and tested to ensure that they are free of all plant diseases.

(H) ADMINISTRATION.—

(i) FEES.—The Secretary shall by regulation fix and collect fees and charges to cover the costs of any inspection or testing performed under this paragraph.

(ii) CERTIFICATION.—

(I) IN GENERAL.—The Secretary may require the first seller of peanuts sold in the United States to certify that the peanuts comply with this paragraph.

(II) FRAUD AND FALSE STATEMENTS.—Section 1001 of title 18, United States Code, shall apply to a certification made under this paragraph.

(iii) STANDARDS AND PROCEDURES.—In consultation with the heads of other appropriate agencies of the United States, the Secretary shall establish standards and procedures to provide for the enforcement of, and ensure compliance with, this paragraph.

(iv) FAILURE TO MEET STANDARDS.—Peanuts or peanut products that fail to meet standards established under this paragraph shall be returned to the seller and exported or crushed pursuant to section 358e(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a(d)).

(I) CHANGE OF VENUE.—In any case in which an area pool or a marketing association brings, joins, or seeks to join a civil action in a United States district court to enforce this paragraph, the district court may not transfer the action to any other district or division over the objection of the pool or marketing association.

(g) MARKETING ASSESSMENT.—

(1) IN GENERAL.—The Secretary shall provide for a nonrefundable marketing assessment. The assessment shall be made on a per pound basis in an amount equal to 1.1 percent for each of the 1994 and 1995 crops, 1.15 percent for the 1996 crop, and 1.2 percent for each of the 1997 through 2002 crops, of the national average quota or additional peanut loan rate for the applicable crop.

(2) FIRST PURCHASERS.—

(A) IN GENERAL.—Except as provided under paragraphs (3) and (4), the first purchaser of peanuts shall—

(i) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by—

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

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

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

(ii) pay, in addition to the amount collected under clause (i), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average loan rate; and

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

(B) IMPORTED PEANUTS.—In the case of imported peanuts, the first purchaser shall pay to the Commodity Credit Corporation, in a manner specified by the Secretary, a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by 1.2 percent of the national average support rate for additional peanuts.

(C) DEFINITION OF FIRST PURCHASER.—In this subsection, the term ''first purchaser'' means a person acquiring peanuts from a producer except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

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

(4) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(5) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with the requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

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

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

(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

(h) CROPS.—Subsections (a) through (f) shall be effective only for the 1996 through 2002 crops of peanuts.

(i) MARKETING QUOTAS.—

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

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

(i) in the section heading, by striking ''**1991 THROUGH 1997 CROPS OF**'';

(ii) in subsections (a)(1), (b)(1)(B), (b)(2)(A), (b)(2)(C), and (b)(3)(A), by striking ''of the 1991 through 1997 marketing years'' each place it appears and inserting ''marketing year'';

(iii) in subsection (a)(3), by striking ''1990'' and inserting ''1990, for the 1991 through 1995 marketing years, and 1995, for the 1996 through 2002 marketing years'';

(iv) in subsection (b)(1)(A)—

(I) by striking ''each of the 1991 through 1997 marketing years'' and inserting ''each marketing year''; and

(II) in clause (i), by inserting before the semicolon the following: '', in the case of the 1991 through 1995 marketing years, and the 1995 marketing year, in the case of the 1996 through 2002 marketing years''; and

(v) in subsection (f), by striking ''1997'' and inserting ''2002'';

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking ''**1991 THROUGH 1995 CROPS OF**''; and

(ii) in subsection (c), by striking ''1995'' and inserting ''2002'';

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking ''1995'' and inserting ''2002''; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking ''**FOR 1991 THROUGH 1997 CROPS OF PEANUTS**''; and

(ii) in subsection (i), by striking ''1997'' and inserting ''2002''.

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

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

(A) in subsection (a)(1), by striking ''domestic edible, seed,'' and inserting ''domestic edible use'';

(B) in subsection (b)(2)—

(i) in subparagraph (A), by striking ''subparagraph (B) and subject to''; and

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

''(B) TEMPORARY QUOTA ALLOCATION.—

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

''(ii) QUANTITY.—The temporary quota allocation shall be equal to the pounds of seed peanuts planted on the farm, as may be adjusted under regulations prescribed by the Secretary.

''(iii) ADDITIONAL QUOTA.—The temporary allocation of quota pounds under this paragraph shall be in addition to the farm poundage quota otherwise established under this subsection and shall be credited, for the applicable marketing year only, in total to the producer of the peanuts on the farm in a manner prescribed by the Secretary.

''(iv) EFFECT OF OTHER REQUIREMENTS.—Nothing in this section alters or changes the requirements regarding the use of quota and additional peanuts established by section 358e(b).''; and

(C) in subsection (e)(3), strike ''and seed and use on a farm''.

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

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

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

(ii) in paragraph (3)(B), by striking ''include—'' and clauses (i) and (ii) and inserting ''include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).''; and

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

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

(i) in paragraph (1), by striking ''(including any applicable under marketings)'' both places it appears;

(ii) in paragraph (1)(A), by striking ''of undermarketings and'';

(iii) in paragraph (2), by striking ''(including any applicable under marketings)''; and

(iv) in paragraph (3), by striking ''(including any applicable undermarketings)''.

(5) DISASTER TRANSFERS.—Section 358–1(b) of the Act (7 U.S.C. 1358–1(b)), as amended by paragraph (4)(A)(iii), is further amended by adding at the end the following:

''(8) DISASTER TRANSFERS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts produced on a farm from which the quota poundage was not harvested and marketed because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation provide.

''(B) LIMITATION.—The poundage of peanuts transferred under subparagraph (A) shall not exceed the difference between—

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

''(ii) the total farm poundage quota, excluding quota pounds transferred to the farm in the fall.

''(C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at 70 percent of the quota support rate for the marketing years in which the transfers occur. The transfers for a farm shall not exceed 25 percent of the total farm quota pounds, excluding pounds transferred in the fall.''.

(6) TRANSFERS OF FARM POUNDAGE QUOTAS.—Section 358b(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b(a)) is amended by adding at the end the following:

''(4) TRANSFERS BETWEEN STATES HAVING QUOTAS OF LESS THAN 10,000 TONS.—Notwithstanding paragraphs (1) through (3), in the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota up to 1,000 tons may be transferred by sale or lease from a farm in 1 such State to a farm in another such State.''.

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AMENDMENT NO. 3345

Strike the section relating to the peanut program and insert the following:

**SEC. 106. PEANUT PROGRAM.**

(a) QUOTA PEANUTS.—

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

(2) LOAN RATE.—The national average quota loan rate for quota peanuts shall be $678 per ton.

(3) INSPECTION, HANDLING, OR STORAGE.—The loan amount may not be reduced by the Secretary by any deductions for inspection, handling, or storage.

(4) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments in the loan rate for quota peanuts for location of peanuts and such other factors as are authorized by section 411 of the Agricultural Adjustment Act of 1938.

(b) ADDITIONAL PEANUTS.—

(1) IN GENERAL.—

(A) RATES.—Subject to subparagraph (B), the Secretary shall make nonrecourse loans available to producers of additional peanuts at such rates as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets.

(B) LIMITATION.—The Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(2) ANNOUNCEMENT.—The Secretary shall announce the loan rate for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the loan rate is being determined.

(c) AREA MARKETING ASSOCIATIONS.—

(1) WAREHOUSE STORAGE LOANS.—

(A) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

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

(C) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include such costs as the area marketing association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(2) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico.

(B) ELIGIBILITY TO PARTICIPATE.—

(i) IN GENERAL.—Except as provided in clause (ii), in the case of the 1996 and subsequent crops, Valencia peanuts not physically produced in the State of New Mexico shall not be eligible to participate in the pools of the State.

(ii) EXCEPTION.—A resident of the State of New Mexico may enter Valencia peanuts that are produced outside of the State into the pools of the State in a quantity that is not greater than the 1995 crop of the resident.

(C) TYPES OF PEANUTS.—Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(D) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(i) QUOTA PEANUTS.—For quota peanuts, the sum of—

(I) the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool; and

(II) an amount from all additional pool gains equal to any loss on the disposition of all peanuts in the pool for quota peanuts.

(ii) ADDITIONAL PEANUTS.—For additional peanuts, the difference between—

(I) the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts; and

(II) any amount allocated to offset any loss on the pool for quota peanuts.

(d) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(1) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)).

(2) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(3) ADDITIONAL PEANUT GAINS.—Further losses in an area quota pool shall be offset by gains or profits attributable to sales of additional peanuts in that area for domestic edible and other uses.

(4) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under subsection (g) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under subsection (g) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(5) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)), shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(6) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under subsection (g) by such an amount as the Secretary considers necessary to cover the losses. Amounts collected under subsection (g) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

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

(f) QUALITY IMPROVEMENT.—

(1) IN GENERAL.—

(A) PEANUTS UNDER LOAN.—With respect to peanuts under loan, the Secretary shall—

(i) promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;

(ii) ensure that all Commodity Credit Corporation inventories of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(iii) continue to endeavor to operate the peanut program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

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

(B) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts in the domestic and export markets fully comply with all quality standards under Marketing Agreement No. 146.

(2) PEANUT STANDARDS.—

(A) LABELING.—The Secretary shall require that all peanuts and peanut products sold in the United States contain labeling that lists the country or countries in which the peanuts, including all peanuts used to manufacture the peanut products, were produced.

(B) INSPECTION AND TESTING.—

(i) IN GENERAL.—All peanuts and peanut products sold in the United States shall be inspected and tested for grade and quality.

(ii) CERTIFICATION.—All peanuts or peanut products offered for sale in, or imported into, the United States shall be accompanied by a certification by the first seller or importer that the peanuts or peanut products do not contain residues of any pesticide not approved for use in, or importation into, the United States.

(C) PEANUT CONTENT.—

(i) OFFSET AGAINST HTS QUANTITY.—The actual quantity of peanuts, by weight, used to manufacture, and ultimately contained in, peanut products imported into the United States shall be accounted for and offset against the total quantity of peanut imports allowed under the in-quota quantity of the tariff-rate quota established for peanuts under the Harmonized Tariff Schedule of the United States.

(ii) VERIFICATION.—The Secretary shall establish standards and procedures for the purpose of verifying the actual peanut content of peanut products imported into the United States.

(D) CHANGE OF VENUE.—In any case in which an area pool or a marketing association brings, joins, or seeks to join a civil action in a United States district court to enforce this paragraph, the district court may not transfer the action to any other district or division over the objection of the pool or marketing association.

(g) MARKETING ASSESSMENT.—

(1) IN GENERAL.—The Secretary shall provide for a nonrefundable marketing assessment. The assessment shall be made on a per pound basis in an amount equal to 1.1 percent for each of the 1994 and 1995 crops, 1.15 percent for the 1996 crop, and 1.2 percent for each of the 1997 through 2002 crops, of the national average quota or additional peanut loan rate for the applicable crop.

(2) FIRST PURCHASERS.—

(A) IN GENERAL.—Except as provided under paragraphs (3) and (4), the first purchaser of peanuts shall—

(i) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by—

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

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

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

(ii) pay, in addition to the amount collected under clause (i), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average loan rate; and

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

(B) IMPORTED PEANUTS.—In the case of imported peanuts, the first purchaser shall pay to the Commodity Credit Corporation, in a manner specified by the Secretary, a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by 1.2 percent of the national average support rate for additional peanuts.

(C) DEFINITION OF FIRST PURCHASER.—In this subsection, the term ''first purchaser'' means a person acquiring peanuts from a producer except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

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

(4) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(5) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with the requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

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

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

(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

(h) CROPS.—Subsections (a) through (f) shall be effective only for the 1996 through 2002 crops of peanuts.

(i) MARKETING QUOTAS.—

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

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

(i) in the section heading, by striking ''**1991 THROUGH 1997 CROPS OF**'';

(ii) in subsections (a)(1), (b)(1)(B), (b)(2)(A), (b)(2)(C), and (b)(3)(A), by striking ''of the 1991 through 1997 marketing years'' each place it appears and inserting ''marketing year'';

(iii) in subsection (a)(3), by striking ''1990'' and inserting ''1990, for the 1991 through 1995 marketing years, and 1995, for the 1996 through 2002 marketing years'';

(iv) in subsection (b)(1)(A)—

(I) by striking ''each of the 1991 through 1997 marketing years'' and inserting ''each marketing year''; and

(II) in clause (i), by inserting before the semicolon the following: '', in the case of the 1991 through 1995 marketing years, and the 1995 marketing year, in the case of the 1996 through 2002 marketing years''; and

(v) in subsection (f), by striking ''1997'' and inserting ''2002'';

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking ''**1991 THROUGH 1995 CROPS OF**''; and

(ii) in subsection (c), by striking ''1995'' and inserting ''2002'';

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking ''1995'' and inserting ''2002''; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking ''**FOR 1991 THROUGH 1997 CROPS OF PEANUTS**''; and

(ii) in subsection (i), by striking ''1997'' and inserting ''2002''.

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

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

(A) in subsection (a)(1), by striking ''domestic edible, seed,'' and inserting ''domestic edible use'';

(B) in subsection (b)(2)—

(i) in subparagraph (A), by striking ''subparagraph (B) and subject to''; and

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

''(B) TEMPORARY QUOTA ALLOCATION.—

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

''(ii) QUANTITY.—The temporary quota allocation shall be equal to the pounds of seed peanuts planted on the farm, as may be adjusted under regulations prescribed by the Secretary.

''(iii) ADDITIONAL QUOTA.—The temporary allocation of quota pounds under this paragraph shall be in addition to the farm poundage quota otherwise established under this subsection and shall be credited, for the applicable marketing year only, in total to the producer of the peanuts on the farm in a manner prescribed by the Secretary.

''(iv) EFFECT OF OTHER REQUIREMENTS.—Nothing in this section alters or changes the requirements regarding the use of quota and additional peanuts established by section 358e(b).''; and

(C) in subsection (e)(3), strike ''and seed and use on a farm''.

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

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

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

(ii) in paragraph (3)(B), by striking ''include—'' and clauses (i) and (ii) and inserting ''include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).''; and

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

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

(i) in paragraph (1), by striking ''(including any applicable under marketings)'' both places it appears;

(ii) in paragraph (1)(A), by striking ''of undermarketings and'';

(iii) in paragraph (2), by striking ''(including any applicable under marketings)''; and

(iv) in paragraph (3), by striking ''(including any applicable undermarketings)''.

(5) DISASTER TRANSFERS.—Section 358–1(b) of the Act (7 U.S.C. 1358–1(b)), as amended by paragraph (4)(A)(iii), is further amended by adding at the end the following:

''(8) DISASTER TRANSFERS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts produced on a farm from which the quota poundage was not harvested and marketed because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation provide.

''(B) LIMITATION.—The poundage of peanuts transferred under subparagraph (A) shall not exceed the difference between—

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

''(ii) the total farm poundage quota, excluding quota pounds transferred to the farm in the fall.

''(C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at 70 percent of the quota support rate for the marketing years in which the transfers occur. The transfers for a farm shall not exceed 25 percent of the total farm quota pounds, excluding pounds transferred in the fall.''.

(6) TRANSFERS OF FARM POUNDAGE QUOTAS.—Section 358b(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b(a)) is amended by adding at the end the following:

''(4) TRANSFERS BETWEEN STATES HAVING QUOTAS OF LESS THAN 10,000 TONS.—Notwithstanding paragraphs (1) through (3), in the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota up to 1,000 tons may be transferred by sale or lease from a farm in 1 such State to a farm in another such State.''.

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## DASCHLE AMENDMENT NO. 3346

(Ordered to lie on the table.)

Mr. DASCHLE submitted an amendment intended to be proposed by him to an amendment submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

Title V is amended by adding at the end the following:

**''SEC. 507 FUND FOR RURAL AMERICA.**

''(a) IN GENERAL.—The Secretary shall create an account called the Fund for Rural America for the purposes of providing funds of activities described in subsection (c).

''(b) COMMODITY CREDIT CORPORATION.—In each of the 1996 through 1998 fiscal years, the Secretary shall transfer into the Fund for Rural America (hereafter referred to as the ''Account'')—

''(1) $50,000,000 for the 1996 fiscal year;

''(2) $100,000,000 for the 1997 fiscal year; and

''(3) $150,000,000 for the 1998 fiscal year.

''(c) PURPOSES.—Except as provided in subsection (d), the Secretary shall provide not more than one-third of the funds from the Account for activities described in paragraph (2).

''(1) RURAL DEVELOPMENT ACTIVITIES.—The Secretary may use the funds in the Account for the following rural development activities authorized in:

''(A) The Housing Act of 1949 for—

''(i) direct loans to low income borrowers pursuant to section 502;

''(ii) loans for financial assistance for housing for domestic farm laborers pursuant to section 514;

''(iii) financial assistance for housing of domestic farm labor pursuant to section 516;

''(iv) grants and contracts for mutual and self help housing pursuant to section 523(b)(1)(A); and

''(v) grants for Rural Housing Preservation pursuant to section 533;

''(B) The Food Security Act of 1985 for loans to intermediary borrowers under the Rural Development Loan Fund;

''(C) Consolidated Farm and Rural Development Act for—

''(i) grants for Rural Business Enterprises pursuant to section 310B(c) and (j);

''(ii) direct loans, loan guarantees and grants for water and waste water projects pursuant to section 306; and

''(iii) down payments assistance to farmers, section 310E;

''(D) grants for outreach to socially disadvantaged farmers and ranchers pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279); and

''(E) grants pursuant to section 204(6) of the Agricultural Marketing Act of 1946.

''(2) RESEARCH.—

''(A) IN GENERAL.—The Secretary may use the funds in the Account for research grants to increase the competitiveness and farm profitability, protect and enhance natural resources, increase economic opportunities in farming and rural communities and expand locally owned value added processing and marketing operations.

''(B) ELIGIBLE GRANTEE.—The Secretary may make a grant under this paragraph to—

''(i) a college or university;

''(ii) a State agricultural experiment station;

''(iii) a State Cooperative Extension Service;

''(iv) a research institution or organization;

''(v) a private organization or person; or

''(vi) a Federal agency.

''(C) USE OF GRANT.—

''(i) IN GENERAL.—A grant made under this paragraph may be used by a grantee for 1 or more of the following uses:

''(I) research, ranging from discovery to principles of application;

''(II) extension and related private-sector activities; and

''(III) education.

''(ii) LIMITATION.—No grant shall be made for any project, determined by the Secretary, to be eligible for funding under research and commodity promotion programs administered by the Department.

''(D) ADMINISTRATION.—

''(i) PRIORITY.—In administering this paragraph, the Secretary shall—

''(I) establish priorities for allocating grants, based on needs and opportunities of the food and agriculture system in the United States related to the goals of the paragraph;

''(II) seek and accept proposals for grants;

''(III) determine the relevance and merit of proposals through a system of peer and stakeholder review; and

''(IV) award grants on the basis of merit, quality, and relevance to advancing the national research and extension purposes.

''(ii) COMPETITIVE AWARDING.—A grant under this paragraph shall be awarded on a competitive basis.

''(iii) TERMS.—A grant under this paragraph shall have a term that does not exceed 5 years.

''(iv) MATCHING FUNDS.—As a condition of receipts under this paragraph, the Secretary shall require the funding of the grant with equal matching funds from a non-Federal source if the grant is—

''(I) for applied research that is commodity-specific; and

''(II) not of national scope.

''(v) ADMINISTRATIVE COSTS.—

''(I) IN GENERAL.—The Secretary may use not more than 4 percent of the funds made available under this paragraph for administrative costs incurred by the Secretary in carrying out this paragraph.

''(II) LIMITATION.—Funds made available under this paragraph shall not be used—

''(aa) for the construction of a new building or the acquisition, expansion, remodeling, or alteration of an existing building (including site grading and improvement and architect fees); or

''(bb) in excess of ten percent of the annual allocation for commodity-specific projects not of the national scope.

''(d) LIMITATIONS.—No funds from the Fund for Rural America may be used for an activity specified in subsection (c) if the current level of appropriations for the activity is less than 90 percent of the 1996 fiscal year appropriations for the activity adjusted for inflation.''

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## DASCHLE AMENDMENT NO. 3347

(Ordered to lie on the table.)

Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

Section 314 is amended by striking ''(ii) 10,000 beef cattle'' and all that follows through ''swine,'' and inserting the following:

''(ii) 1,000 beef cattle;

''(iii) 30,000 laying hens or broilers (if the facility has continuous overflow watering);

''(iv) 100,000 laying hens or broilers (if the facility has a liquid manure system);

''(v) 2,500 swine;''.

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## DASCHLE AMENDMENTS NOS. 3348–3349

(Ordered to lie on the table.)

Mr. DASCHLE submitted two amendments intended to be proposed by him to an amendment submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

### AMENDMENT NO. 3348

(a) Section 103(a)(3) is amended by adding at the end the following:

''In the case of a landlord and tenant that both share in risk of production of the crops on the farm, the Secretary shall ensure that the contract payments authorized by this section are divided in manner consistent with the interests the landlord and tenant have in the crops on the farm.

(b) Section 104 is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (A) by—

(I) striking ''shall be-(i)'' and inserting ''shall be not''; and

(II) striking (ii);

(ii) by striking subparaphs (B) and (C);

(B) in paragraph (2)—

(i) in subparagraph (A) by—

(I) striking ''shall be- (i)'' and inserting ''shall be not''; and

(II) striking (ii);

(ii) by striking subparagraphs (B) and (C);

(C) in paragraph (3) b striking subparagraph (B);

(D) in paragraph (4)(A) by—

(i) striking ''shall be- (i)'' and inserting ''shall be not''; and

(ii) striking (ii);

(E) by striking paragraph (6) and inserting the following:

''(6) OILSEEDS.—

''(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans, shall be—

''(i) not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during 3 years of the 5 previous marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

''(ii) not less than $4.92 or more than $5.26 per bushel.

''(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAX SEED.—The loan rate for a marketing assistance loan for each of sunflower seed, canola, rapseed, safflower, mustard seed, and flaxseed, shall be—

''(i) not less than 85 percent of the simple average price received by producers of sunflower seed, as determined by the Secretary, during 3 years of the 5 previous marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $0.087 or more than $0.093 per pound.

(C) OTHER OILSEEDS.—The loan rates for marketing assistance loan for other oilseeds shall be established at such level as the Secretary determines is fair and reasonable in relation to the loan rate available for soybeans, except in no event shall the rate for the oilseeds (other than cottonseed) be less than the rate established for soybeans on a per-pound basis for the same crop.''

(2) in subsection (c) by striking the last sentence and inserting the following:

''The Secretary may extend the term of a marketing assistance loan for upland cotton for a period not to exceed 8 months.

(c) COMMODITY CREDIT CORPORATION.—

(1) Section 109 is amended by striking subsection (a)(2).

(2) Title V is amended by striking section 505.

(d) PERMANENT LAW FOR RICE AND THE FARMER OWNED RESERVE.—Section 110 is amended—

(1) in subsection (b)(1)—

(i) in subparagraph (B)—

(I) by inserting ''101B, 110,'' after ''sections''; and

(II) by striking ''and 307'' and inserting ''307, 308, and 309''; and

(ii) by adding to end the following:

(D) by transfering Title VI (7 U.S.C. 1421 note et seq.) to appear after section 309 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1309) and redesignating the transferred title as section 310.

(2) in subsection (c) by adding at the end the following:

(3) Section 305 (as redesignated) is amended in subsection (n) by striking ''only for the 1991 through 1995 crops of rice'' and inserting ''2003 and subsequent crops of rice and in the same manner as the 1995 crop of rice.''.

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### AMENDMENT NO. 3349

Strike all after the enacting clause and insert the following:

**SEC. 101. SHORT TITLE.**

This Act may be cited as the ''Agricultural Act of 1996''.

**SEC. 102. AUTHORITY FOR 1996 AGRICULTURAL PROGRAMS.**

(A) IN GENERAL.—Notwithstanding any other provisions of law except as provided in this Act and the amendments made by this Act, the provisions of the Agricultural Adjustment of 1938 (7 U.S.C. 1281 et seq.), the Agriculture Act of 1949 (7 U.S.C. 1421 et seq.) the Food Security Act of 1985 (Public Law 99–198), and the Food, Agriculture, Conservation and Trade Act of 1990 (Public Law 101–624) and each program that was authorized or reauthorized by any of the Acts, that were applicable on September 30, 1995, shall be applicable for 1996.

(b) FLEXIBILITY.—Amend section 504 of the Agricultural Act of 1949 (7 U.S.C. 1464) by—

(1) Striking subsections (c), (d), and (e) and inserting the following:

''(c) NON-PAYMENT ACRES.—In the case of the 1996 crops, any crop or conserving crop specified in subsection (b)(1) may be planted on the acres of a crop acreage base that is not eligible for payment under this Act.

''(d) LOAN ELIGIBILITY.—In the case of the 1996 crops, producers on a farm with crop

acreage base may plant any program crop on the crop acreage base and shall be eligible to receive purchases, loans, and the deficiency payments for the program crop.''

(c) 1996 CROP ADVANCED DEFICIENCY PAYMENTS.—

(1) IN GENERAL.—The Secretary shall issue nonrefundable advanced deficiency payments for the 1996 crops of wheat, feed grains, upland cotton, and rice to producers who participate in price support programs authorized in section 102.

(2) FORMULA.—The advanced deficiency payment rate for wheat, feed grains, upland cotton, and rice shall be 40 percent of the average deficiency payments for the 1990 through 1994 crops.

**SEC. 104. MISCELLANEOUS PROVISIONS.**

(a) FUND FOR RURAL AMERICA.—

(1) IN GENERAL.—The Secretary shall create an account called the Fund for Rural America for the purposes of providing funds for activities described in paragraph (3).

(2) COMMODITY CREDIT CORPORATION.—In each of the 1996 through 1998 fiscal years, the Secretary shall transfer into the Fund for Rural America (hereafter referred to as the ''Account'')—

(A) $50,000,000 for the 1996 fiscal year;

(B) $100,000,000 for the 1997 fiscal year; and

(C) $150,000,000 for the 1998 fiscal year.

(3) PURPOSES.—Except as provided in paragraph (4), the Secretary shall provide not more than one-third of the funds from the Account for activities described in subparagraph (B).

(A) RURAL DEVELOPMENT ACTIVITIES.—The Secretary may use the funds in the Account for the following rural development activities authorized in:

(i) The Housing Act of 1949 for—

(I) direct loans to low income borrowers pursuant to section 502;

(II) loans for financial assistance for housing for domestic farm laborers pursuant to section 514;

(III) financial assistance for housing of domestic farm labor pursuant to section 516;

(IV) grants and contracts for mutual and self help housing pursuant to section 523(b)(1)(A); and

(V) grants for Rural Housing Preservation pursuant to section 533;

(ii) The Food Security Act of 1985 for loans to intermediary borrowers under the Rural Development Loan Fund;

(iii) Consolidated Farm and Rural Development Act for—

(I) grants for Rural Enterprises pursuant to section 310B (c) and (j);

(II) direct loans, loan guarantees and grants for water and waste water projects pursuant to section 306; and

(III) down payments assistance to farmers, section 310E; and

(iv) grants for outreach to socially disadvantaged farmers and ranchers pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279); and

(v) grants pursuant to section 204(6) of the Agricultural Marketing Act of 1946.

(B) RESEARCH.—

(i) IN GENERAL.—The Secretary may use the funds in the Account for research grants to increase the competitiveness and farm profitability, protect and enhance natural resources, increase economic opportunities in farming and rural communities and expand locally owned value added processing and marketing operations.

(ii) ELIGIBLE GRANTEE.—The Secretary may make a grant under this paragraph to—

(I) a college or university;

(II) a State agricultural experiment station;

(III) a State Cooperative Extension Service;

(IV) a research institution or organization;

(V) a private organization or person; or

(VI) a Federal agency.

(iii) USE OF GRANT.—

(I) IN GENERAL.—A grant made under this paragraph may be used by a grantee for 1 or more of the following uses:

(aa) research, ranging from discovery to principles of application;

(bb) extension and related private-sector activities; and

(cc) education.

(II) LIMITATION.—No grant shall be made for any project, determined by the Secretary, to be eligible for funding under research and commodity promotion programs administered by the Department.

(iv) ADMINISTRATION.—

(I) PRIORITY.—In administering this paragraph, the Secretary shall—

(aa) establish priorities for allocating grants, based on needs and opportunities of the food and agriculture system in the United States related to the goals of the paragraph;

(bb) seek and accept proposals for grants;

(cc) determine the relevance and merit of proposals through a system of peer and stakeholder review; and

(dd) award grants on the basis of merit, quality, and relevance to advancing the national research and extension purposes.

(II) COMPETITIVE AWARDING.—A grant under this paragraph shall be awarded on a competitive basis.

(III) TERMS.—A grant under this paragraph shall have a term that does not exceed 5 years.

(IV) MATCHING FUNDS.—As a condition of receipts under this paragraph, the Secretary shall require the funding of the grant with equal matching funds from a non-Federal source if the grant is—

(aa) for applied research that is commodity-specific; and

(cc) not of national scope.

(V) ADMINISTRATIVE COSTS.—

(aa) IN GENERAL.—The Secretary may use not more than 4 percent of the funds made available under this paragraph for administrative costs incurred by the Secretary in carrying out this paragraph.

(bb) LIMITATION.—Funds made available under this paragraph shall not be used—

(AA) for the construction of a new building or the acquisition, expansion, remodeling, or alteration of an existing building (including site grading and improvement and architect fees); or

(BB) in excess of ten percent of the annual allocation for commodity-specific projects not of the national scope.

(4) LIMITATIONS.—No funds from the Fund for Rural America may be used for an activity specified in subsection (c) if the current level of appropriations for the activity is less than 90 percent of the 1996 fiscal year appropriations for the activity adjusted for inflation.

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## GRASSLEY (AND COCHRAN) AMENDMENT NO. 3350

(Ordered to lie on the table.)

Mr. GRASSLEY (for himself and Mr. COCHRAN) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike sections 103 through 107 and insert the following:

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

(a) CONTRACTS AUTHORIZED.—

(1) OFFER AND TERMS.—Beginning as soon as practicable after the date of enactment of this Act, the Secretary shall offer to enter into a contract with an eligible owner or operator described in paragraph (2) on a farm containing eligible farmland. Under the terms of a contract, the owner or operator shall agree, in exchange for annual contract payments, to comply with—

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

(B) wetland protection requirements applicable to the farm under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.); and

(C) the planting flexibility requirements of subsection (j).

(2) ELIGIBLE OWNERS AND OPERATORS DESCRIBED.—The following persons shall be considered to be an owner or operator eligible to enter into a contract:

(A) An owner of eligible farmland who assumes all of the risk of producing a crop.

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

(C) An operator of eligible farmland with a share-rent lease of the eligible farmland, regardless of the length of the lease, if the owner enters into the same contract.

(D) An operator of eligible farmland who cash rents the eligible farmland under a lease expiring on or after September 30, 2002, in which case the consent of the owner is not required.

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

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

(G) An owner or operator described in a preceding subparagraph regardless of whether the owner or operator purchased catastrophic risk protection for a fall-planted 1996 crop under section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)).

(3) TENANTS AND SHARECROPPERS.—In carrying out this section, the Secretary shall provide adequate safeguards to protect the interests of operators who are tenants and sharecroppers.

(b) ELEMENTS.—

(1) TIME FOR CONTRACTING.—

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

(B) CONSERVATION RESERVE LANDS.—

(i) IN GENERAL.—At the beginning of each fiscal year, the Secretary shall allow an eligible owner or operator on a farm covered by a conservation reserve contract entered into under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) that terminates after the date specified in subparagraph (A) to enter into or expand a production flexibility contract to cover the contract acreage of the farm that was subject to the former conservation reserve contract.

(ii) AMOUNT.—Contract payments made for contract acreage under this subparagraph shall be made at the rate and amount applicable to the annual contract payment level for the applicable crop.

(2) DURATION OF CONTRACT.—

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

(i) the 1996 crop of a contract commodity; or

(ii) in the case of acreage that was subject to a conservation reserve contract described in paragraph (1)(B), the date the production

flexibility contract was entered into or expanded to cover the acreage.

(B) ENDING DATE.—A contract shall extend through the 2002 crop.

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

(c) ELIGIBLE FARMLAND DESCRIBED.—Land shall be considered to be farmland eligible for coverage under a contract only if the land has contract acreage attributable to the land and—

(1) for at least 1 of the 1991 through 1995 crops, at least a portion of the land was enrolled in the acreage reduction program authorized for a crop of a contract commodity under section 101B, 103B, 105B, or 107B of the Agricultural Act of 1949 (as in effect prior to the amendment made by section 110(b)(2)) or was considered planted;

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

(3) is released from coverage under a conservation reserve contract by the Secretary during the period beginning on January 1, 1995, and ending on the date specified in subsection (b)(1)(A).

(d) TIME FOR PAYMENT.—

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

(2) ADVANCE PAYMENTS.—

(A) FISCAL YEAR 1996.—At the option of the owner or operator, 50 percent of the contract payment for fiscal year 1996 shall be made not later than June 15, 1996.

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

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

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

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

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

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

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

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

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

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

(2) ALLOCATION.—The amount made available for a fiscal year under paragraph (1) shall be allocated as follows:

(A) For wheat, 26.26 percent.

(B) For corn, 46.22 percent.

(C) For grain sorghum, 5.11 percent.

(D) For barley, 2.16 percent.

(E) For oats, 0.15 percent.

(F) For upland cotton, 11.63 percent.

(G) For rice, 8.47 percent.

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

(A) subtracting an amount equal to the amount, if any, necessary to satisfy payment requirements under sections 103B, 105B, and 107B of the Agricultural Act of 1949 (as in effect prior to the amendment made by section 110(b)(2)) for the 1994 and 1995 crops of the commodity;

(B) adding an amount equal to the sum of all repayments of deficiency payments received under section 114(a)(2) of the Agricultural Act of 1949 (as in effect prior to the amendment made by section 110(b)(2)) for the commodity;

(C) to the maximum extent practicable, adding an amount equal to the sum of all contract payments withheld by the Secretary, at the request of an owner or operator subject to a contract, as an offset against repayments of deficiency payments otherwise required under section 114(a)(2) of the Act (as so in effect) for the commodity; and

(D) adding an amount equal to the sum of all refunds of contract payments received during the preceding fiscal year under subsection (h) for the commodity.

(4) ADDITIONAL RICE ALLOCATION.—In addition to the allocations provided under paragraphs (1), (2), and (3), the amounts made available for rice contract payments shall be increased by $17,000,000,000 for each of fiscal years 1997 through 2002.

(f) DETERMINATION OF CONTRACT PAYMENTS.—

(1) INDIVIDUAL PAYMENT QUANTITY OF CONTRACT COMMODITIES.—For each contract, the payment quantity of a contract commodity for each fiscal year shall be equal to the product of—

(A) 85 percent of the contract acreage; and

(B) the farm program payment yield.

(2) ANNUAL PAYMENT QUANTITY OF CONTRACT COMMODITIES.—The payment quantity of each contract commodity covered by all contracts for each fiscal year shall equal the sum of the amounts calculated under paragraph (1) for each individual contract.

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

(A) the amount made available under subsection (e) for the contract commodity for the fiscal year; divided by

(B) the amount determined under paragraph (2) for the fiscal year.

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

(A) the payment quantity determined under paragraph (1) with respect to the contract; and

(B) the payment rate in effect under paragraph (3).

(5) ASSIGNMENT OF CONTRACT PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to contract payments under this subsection. The owner or operator making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require in the contract, of any assignment made under this paragraph.

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

(g) PAYMENT LIMITATION.—The total amount of contract payments made to a person under a contract during any fiscal year may not exceed the payment limitations established under sections 1001 through 1001C of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308–3).

(h) EFFECT OF VIOLATION.—

(1) TERMINATION OF CONTRACT.—Except as provided in paragraph (2), if an owner or operator subject to a contract violates the conservation plan for the farm containing eligible farmland under the contract, wetland protection requirements applicable to the farm, or the planting flexibility requirements of subsection (j), the Secretary shall terminate the contract with respect to the owner or operator on each farm in which the owner or operator has an interest. On the termination, the owner or operator shall forfeit all rights to receive future contract payments on each farm in which the owner or operator has an interest and shall refund to the Secretary all contract payments received by the owner or operator during the period of the violation, together with interest on the contract payments as determined by the Secretary.

(2) REFUND OR ADJUSTMENT.—If the Secretary determines that a violation does not warrant termination of the contract under paragraph (1), the Secretary may require the owner or operator subject to the contract—

(A) to refund to the Secretary that part of the contract payments received by the owner or operator during the period of the violation, together with interest on the contract payments as determined by the Secretary; or

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

(3) FORECLOSURE.—An owner or operator subject to a contract may not be required to make repayments to the Secretary of amounts received under the contract if the contract acreage has been foreclosed on and the Secretary determines that forgiving the repayments is appropriate in order to provide fair and equitable treatment. This paragraph shall not void the responsibilities of such an owner or operator under the contract if the owner or operator continues or resumes operation, or control, of the contract acreage. On the resumption of operation or control over the contract acreage by the owner or operator, the provisions of the contract in effect on the date of the foreclosure shall apply.

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

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

(1) EFFECT OF TRANSFER.—Except as provided in paragraph (2), the transfer by an owner or operator subject to a contract of the right and interest of the owner or operator in the contract acreage shall result in the termination of the contract with respect to the acreage, effective on the date of the transfer, unless the transferee of the acreage agrees with the Secretary to assume all obligations of the contract. At the request of the transferee, the Secretary may modify the contract if the modifications are consistent with the objectives of this section as determined by the Secretary.

(2) EXCEPTION.—If an owner or operator who is entitled to a contract payment dies, becomes incompetent, or is otherwise unable to receive the contract payment, the Secretary shall make the payment, in accordance with regulations prescribed by the Secretary.

(j) PLANTING FLEXIBILITY.—

(1) PERMITTED CROPS.—Subject to paragraph (2), any commodity or crop may be planted on contract acreage on a farm.

(2) LIMITATIONS.—

(A) HAYING AND GRAZING.—

(i) TIME LIMITATIONS.—Haying and grazing on land exceeding 15 percent of the contract acreage on a farm as provided in clause (iii) shall be permitted, except during any consecutive 5-month period between April 1 and October 31 that is determined by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on the contract acreage of a farm.

(ii) CONTRACT COMMODITIES.—A contract commodity may be hayed or grazed on contract acreage on a farm without limitation.

(iii) HAYING AND GRAZING LIMITATION ON PORTION OF CONTRACT ACREAGE.—Unlimited haying and grazing shall be permitted on not more than 15 percent of the contract acreage on a farm.

(B) ALFALFA.—Alfalfa may be planted for harvest without limitation on the contract acreage on a farm, except that each contract acre that is planted for harvest to alfalfa in excess of 15 percent of the total contract acreage on a farm shall be ineligible for contract payments.

(C) FRUITS AND VEGETABLES.—

(i) IN GENERAL.—The planting for harvest of fruits and vegetables shall be prohibited on contract acreage.

(ii) UNRESTRICTED VEGETABLES.—Lentils, mung beans, and dry peas may be planted without limitation on contract acreage.

(k) CONSERVATION FARM OPTION.—

(1) IN GENERAL.—The Secretary shall offer eligible owners and operators with contract acreage under this title on a farm who also have entered into a conservation reserve program contract under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (7 U.S.C. 3831 et seq.), the option of entering into a conservation farm option contract for a period of 10 years, as an alternative to the market transition payment contract.

(2) TERMS.—Under the conservation farm option contract—

(A) the Secretary shall provide eligible owners and operators with payments that reflect the Secretary's estimate of the payments and benefits the eligible owner or operator is expected to receive during the 10-year period under—

(i) conservation cost-share programs administered by the Secretary;

(ii) conservation reserve program rental and cost-share payments;

(iii) market transition payments; and

(iv) loan programs for contract commodities, oilseeds, and extra long staple cotton; and

(B) the eligible owner and operator shall—

(i) forego eligibility to participate in the conservation reserve program, conservation cost-share program payments, and market transition contracts; and

(ii) comply with a conservation plan for the farm approved by the Secretary that is consistent with the State conservation farm option plan established under paragraph (3).

(3) STATE CONSERVATION FARM OPTION PLAN.—In consultation with the State Technical Committee established under section 1261 of the Food Security Act of 1985 (16 U.S.C. 3801), the Secretary shall establish a plan for each State that is designed to—

(A) protect wildlife habitat;

(B) improve water quality; and

(C) reduce soil erosion.

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

(a) AVAILABILITY OF NONRECOURSE LOANS.—

(1) AVAILABILITY.—For each of the 1996 through 2002 crops of each loan commodity, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for loan commodities produced on the farm. The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (b) for the loan commodity.

(2) ELIGIBLE PRODUCTION.—The following production shall be eligible for a marketing assistance loan under this section:

(A) In the case of a marketing assistance loan for a contract commodity, any production by a producer who has entered into a production flexibility contract.

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

(b) LOAN RATES.—

(1) WHEAT.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for wheat shall be—

(i) not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not more than $2.58 per bushel.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

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

(ii) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for wheat under subparagraph (B) shall not be considered in determining the loan rate for wheat for subsequent years.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for corn shall be—

(i) not less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not more than $1.89 per bushel.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn to total use for the marketing year will be—

(i) equal to or greater than 25 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 12.5 percent the Secretary may not reduce the loan rate for corn for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for corn under subparagraph (B) shall not be considered in determining the loan rate for corn for subsequent years.

(D) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

(3) UPLAND COTTON.—

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

(i) 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 in the year in which the loan rate is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

(ii) 90 percent of the average, for the 15-week period beginning July 1 of the year in which the loan rate is announced, of the 5 lowest-priced growths of the growths quoted for Middling 1 3/32-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between the average Northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton), as determined by the Secretary.

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

(4) EXTRA LONG STAPLE COTTON.—The loan rate for a marketing assistance loan for extra long staple cotton shall be—

(A) not less than 85 percent of the simple average price received by producers of extra long staple cotton, as determined by the Secretary, during 3 years of the 5 previous marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $0.7965 per pound.

(5) RICE.—The loan rate for a marketing assistance loan for rice shall be $6.50 per hundredweight.

(6) OILSEEDS.—

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be $4.92 per bushel.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rates for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be $0.087 per pound.

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

(c) TERM OF LOAN.—In the case of each loan commodity (other than upland cotton or extra long staple cotton), a marketing assistance loan under subsection (a) shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made. A marketing assistance loan for upland cotton or extra long staple cotton shall have a term of 10 months beginning on the first day of the first month after the month in which the loan is made. The Secretary may not extend the term of a marketing assistance loan for any loan commodity.

(d) REPAYMENT.—

(1) REPAYMENT RATES FOR WHEAT AND FEED GRAINS.—The Secretary shall permit a producer to repay a marketing assistance loan under subsection (a) for wheat, corn, grain sorghum, barley, and oats at a level that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of the commodities by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing the commodities; and

(D) allow the commodities produced in the United States to be marketed freely and competitively, both domestically and internationally.

(2) REPAYMENT RATES FOR UPLAND COTTON, OILSEEDS, AND RICE.—The Secretary shall permit producers to repay a marketing assistance loan under subsection (a) for upland cotton, oilseeds, and rice at a level that is the lesser of—

(A) the loan rate established for upland cotton, oilseeds, and rice, respectively, under subsection (b); or

(B) the prevailing world market price for upland cotton, oilseeds, and rice, respectively (adjusted to United States quality and location), as determined by the Secretary.

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

(4) PREVAILING WORLD MARKET PRICE.—For purposes of paragraph (2)(B) and subsection (f), the Secretary shall prescribe by regulation—

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

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

(5) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON.—

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

(i) the adjusted prevailing world market price is less than 115 percent of the loan rate for upland cotton established under subsection (b), as determined by the Secretary; and

(ii) the Friday through Thursday average price quotation for the lowest-priced United States growth as quoted for Middling (M) 1 3/32-inch cotton delivered C.I.F. Northern Europe is greater than the Friday through Thursday average price of the 5 lowest-priced growths of upland cotton, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe (referred 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 1 3/32-inch cotton delivered C.I.F. Northern Europe; and

(ii) the Northern Europe price.

(e) LOAN DEFICIENCY PAYMENTS.—

(1) AVAILABILITY.—Except as provided in paragraph (4), the Secretary may make loan deficiency payments available to producers who, although eligible to obtain a marketing assistance loan under subsection (a) with respect to a loan commodity, agree to forgo obtaining the loan for the commodity in return for payments under this subsection.

(2) COMPUTATION.—A loan deficiency payment under this subsection shall be computed by multiplying—

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

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

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

(A) the loan rate established under subsection (b) for the loan commodity; exceeds

(B) the rate at which a loan for the commodity may be repaid under subsection (d).

(4) EXCEPTION FOR EXTRA LONG STAPLE COTTON.—This subsection shall not apply with respect to extra long staple cotton.

(f) SPECIAL MARKETING LOAN PROVISIONS FOR UPLAND COTTON.—

(1) COTTON USER MARKETING CERTIFICATES.—

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

(i) the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe exceeds the Northern Europe price by more than 1.25 cents per pound; and

(ii) the prevailing world market price for upland cotton (adjusted to United States quality and location) does not exceed 130 percent of the loan rate for upland cotton established under subsection (b).

(B) VALUE OF CERTIFICATES OR PAYMENTS.—The value of the marketing certificates or cash payments shall be based on the amount of the difference (reduced by 1.25 cents per pound) in the prices during the 4th week of the consecutive 4-week period multiplied by the quantity of upland cotton included in the documented sales.

(C) ADMINISTRATION OF MARKETING CERTIFICATES.—

(i) REDEMPTION, MARKETING, OR EXCHANGE.—The Secretary shall establish procedures for redeeming marketing certificates for cash or marketing or exchange of the certificates for agricultural commodities owned by the Commodity Credit Corporation in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates. Any price restrictions that would otherwise apply to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this paragraph.

(ii) DESIGNATION OF COMMODITIES AND PRODUCTS.—To the extent practicable, the Secretary shall permit owners of certificates to designate the commodities and products, including storage sites, the owners would prefer to receive in exchange for certificates. If any certificate is not presented for redemption, marketing, or exchange within a reasonable number of days after the issuance of the certificate (as determined by the Secretary), reasonable costs of storage and other carrying charges, as determined by the Secretary, shall be deducted from the value of the certificate for the period beginning after the reasonable number of days and ending with the date of the presentation of the certificate to the Commodity Credit Corporation.

(iii) TRANSFERS.—Marketing certificates issued to domestic users and exporters of upland cotton may be transferred to other persons in accordance with regulations issued by the Secretary.

(D) EXCEPTION.—The Secretary shall not issue marketing certificates or cash payments under subparagraph (A) if, for the immediately preceding consecutive 10-week period, the Friday through Thursday average price quotation for the lowest priced United States growth, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificate issued under this paragraph, exceeds the Northern Europe price by more than 1.25 cents per pound.

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

(2) SPECIAL IMPORT QUOTA.—

(A) ESTABLISHMENT.—The President shall carry out an import quota program that provides that, during the period ending July 31, 2003, whenever the Secretary determines and announces that for any consecutive 10-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificates issued under paragraph (1), exceeds the Northern Europe price by more than 1.25 cents per pound, there shall immediately be in effect a special import quota.

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

(C) APPLICATION.—The quota shall apply to upland cotton purchased not later than 90 days after the date of the Secretary's announcement under subparagraph (A) and entered into the United States not later than 180 days after the date.

(D) OVERLAP.—A special quota period may be established that overlaps any existing quota period if required by subparagraph (A), except that a special quota period may not be established under this paragraph if a quota period has been established under subsection (g).

(E) PREFERENTIAL TARIFF TREATMENT.—The quantity under a special import quota shall be considered to be an in-quota quantity for purposes of—

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

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

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

(iv) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

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

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

(1) IN GENERAL.—The President shall carry out an import quota program that provides that whenever the Secretary determines and announces that the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for a month exceeded 130 percent of the average price of such quality of cotton in the markets for the preceding 36 months, notwithstanding any other provision of law, there shall immediately be in effect a limited global import quota subject to the following conditions:

(A) QUANTITY.—The quantity of the quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent 3 months for which data are available.

(B) QUANTITY IF PRIOR QUOTA.—If a quota has been established under this subsection during the preceding 12 months, the quantity of the quota next established under this subsection shall be the smaller of 21 days of domestic mill consumption calculated under subparagraph (A) or the quantity required to increase the supply to 130 percent of the demand.

(C) PREFERENTIAL TARIFF TREATMENT.—The quantity under a limited global import quota shall be considered to be an in-quota quantity for purposes of—

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

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

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

(iv) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(D) DEFINITIONS.—In this subsection:

(i) SUPPLY.—The term ''supply'' means, using the latest official data of the Bureau of the Census, the Department of Agriculture, and the Department of the Treasury—

(I) the carry-over of upland cotton at the beginning of the marketing year (adjusted to 480-pound bales) in which the quota is established;

(II) production of the current crop; and

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

(ii) DEMAND.—The term ''demand'' means—

(I) the average seasonally adjusted annual rate of domestic mill consumption in the most recent 3 months for which data are available; and

(II) the larger of—

(aa) average exports of upland cotton during the preceding 6 marketing years; or

(bb) cumulative exports of upland cotton plus outstanding export sales for the marketing year in which the quota is established.

(iii) LIMITED GLOBAL IMPORT QUOTA.—The term ''limited global import quota'' means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(E) QUOTA ENTRY PERIOD.—When a quota is established under this subsection, cotton may be entered under the quota during the 90-day period beginning on the date the quota is established by the Secretary.

(2) NO OVERLAP.—Notwithstanding paragraph (1), a quota period may not be established that overlaps an existing quota period or a special quota period established under subsection (f)(2).

(h) SOURCE OF LOANS.—

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

(2) PROCESSORS.—Whenever any loan or surplus removal operation for any agricultural commodity is carried out through purchases from or loans or payments to processors, the Secretary shall, to the extent practicable, obtain from the processors such assurances as the Secretary considers adequate that the producers of the commodity have received or will receive maximum benefits from the loan or surplus removal operation.

(i) ADJUSTMENTS OF LOANS.—

(1) IN GENERAL.—The Secretary may make appropriate adjustments in the loan levels for any commodity for differences in grade, type, quality, location, and other factors.

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

(j) PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.—

(1) IN GENERAL.—Except as provided in paragraph (2), no producer shall be personally liable for any deficiency arising from the sale of the collateral securing any nonrecourse loan made under this section or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) unless the loan was obtained through a fraudulent representation by the producer.

(2) LIMITATIONS.—Paragraph (1) shall not prevent the Commodity Credit Corporation or the Secretary from requiring a producer to assume liability for—

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

(B) a failure to properly care for and preserve a commodity; or

(C) a failure or refusal to deliver a commodity in accordance with a program established under this section or the Agricultural Adjustment Act of 1938.

(3) ACQUISITION OF COLLATERAL.—The Secretary may include in a contract for a nonrecourse loan made under this section or the Agricultural Adjustment Act of 1938 a provision that permits the Commodity Credit Corporation, on and after the maturity of the loan or any extension of the loan, to acquire title to the unredeemed collateral without obligation to pay for any market value that the collateral may have in excess of the loan indebtedness.

(4) SUGARCANE AND SUGAR BEETS.—A security interest obtained by the Commodity Credit Corporation as a result of the execution of a security agreement by the processor of sugarcane or sugar beets shall be superior to all statutory and common law liens on raw cane sugar and refined beet sugar in favor of the producers of sugarcane and sugar beets and all prior recorded and unrecorded liens on the crops of sugarcane and sugar beets from which the sugar was derived.

(k) COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS.—

(1) IN GENERAL.—The Commodity Credit Corporation may sell any commodity owned or controlled by the Corporation at any price that the Secretary determines will maximize returns to the Corporation.

(2) NONAPPLICATION OF SALES PRICE RESTRICTIONS.—Paragraph (1) shall not apply to—

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

(B) a sale of peanuts or oilseeds for the extraction of oil;

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

(D) a sale of a commodity that has substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage;

(E) a sale for the purpose of establishing a claim arising out of a contract or against a person who has committed fraud, misrepresentation, or other wrongful act with respect to the commodity;

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

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

(3) PRESIDENTIAL DISASTER AREAS.—

(A) IN GENERAL.—Notwithstanding paragraph (1), on such terms and conditions as the Secretary may consider in the public interest, the Corporation may make available any commodity or product owned or controlled by the Corporation for use in relieving distress—

(i) in any area in the United States (including the Virgin Islands) declared by the President to be an acute distress area because of unemployment or other economic cause, if the President finds that the use will not displace or interfere with normal marketing of agricultural commodities; and

(ii) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

(B) COSTS.—Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making a commodity available under subparagraph (A) beyond the cost of the commodity to the Corporation incurred in—

(i) the storage of the commodity; and

(ii) the handling and transportation costs in making delivery of the commodity to designated agencies at 1 or more central locations in each State or other area.

(4) EFFICIENT OPERATIONS.—Paragraph (1) shall not apply to the sale of a commodity the disposition of which is desirable in the interest of the effective and efficient conduct of the operations of the Corporation because of the small quantity of the commodity involved, or because of the age, location, or questionable continued storability of the commodity.

**SEC. 105. PAYMENT LIMITATIONS.**

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

''(1) LIMITATION ON PAYMENTS UNDER PRODUCTION FLEXIBILITY CONTRACTS.—The total amount of contract payments made under section 103 of the Agricultural Market Transition Act to a person under 1 or more production flexibility contracts during any fiscal year may not exceed $40,000.

''(2) LIMITATION ON MARKETING LOAN GAINS AND LOAN DEFICIENCY PAYMENTS.—

''(A) LIMITATION.—The total amount of payments specified in subparagraph (B) that a person shall be entitled to receive under section 104 of the Agricultural Market Transition Act for contract commodities and oilseeds during any crop year may not exceed $75,000.

''(B) DESCRIPTION OF PAYMENTS.—The payments referred to in subparagraph (A) are the following:

''(i) Any gain realized by a producer from repaying a marketing assistance loan for a crop of any loan commodity at a lower level than the original loan rate established for the commodity under section 104(b) of the Act.

''(ii) Any loan deficiency payment received for a loan commodity under section 104(e) of the Act.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) (as amended by subsection (a)) is amended—

(A) by redesignating paragraphs (5), (6), and (7) as paragraphs (3), (4), and (5), respectively; and

(B) in the second sentence of paragraph (3)(A) (as so redesignated), by striking ''paragraphs (6) and (7)'' and inserting ''paragraphs (4) and (5)''.

(2) Section 1305(d) of the Agricultural Reconciliation Act of 1987 (Public Law 100–203; 7 U.S.C. 1308 note) is amended by striking ''paragraphs (5) through (7) of section 1001, as amended by this subtitle,'' and inserting ''paragraphs (3) through (5) of section 1001,''.

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

(A) in the first sentence of subsection (a)(1)—

(i) by striking ''section 1001(5)(B)(i)'' and inserting ''section 1001(3)(B)(i)'';

(ii) by striking ''under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.)''; and

(iii) by striking ''section 1001(5)(B)(i)(II)'' and inserting ''section 1001(3)(B)(i)(II)''; and

(B) in subsection (b)—

(i) in paragraph (1)—

(I) by striking ''under the Agricultural Act of 1949''; and

(II) by striking ''section 1001(5)(B)(i)'' and inserting ''section 1001(3)(B)(i)''; and

(ii) in paragraph (2)(B), by striking ''section 1001(5)(B)(i)(II)'' and inserting ''section 1001(3)(B)(i)(II)''.

(4) Section 1001C(a) of the Food Security Act of 1985 (7 U.S.C. 1308–3(a)) is amended—

(A) by striking ''For each of the 1991 through 1997 crops, any'' and inserting ''Any'';

(B) by striking ''price support program loans, payments, or benefits made available under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.),'' and inserting ''loans or payments made available under the Agricultural Market Transition Act''; and

(C) by striking ''during the 1989 through 1997 crop years''.

**SEC. 106. PEANUT PROGRAM.**

(a) QUOTA PEANUTS.—

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

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

(3) INSPECTION, HANDLING, OR STORAGE.—The loan amount may not be reduced by the Secretary by any deductions for inspection, handling, or storage.

(4) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments in the loan rate for quota peanuts for location of peanuts and such other factors as are authorized by section 411 of the Agricultural Adjustment Act of 1938.

(b) ADDITIONAL PEANUTS.—

(1) IN GENERAL.—The Secretary shall make nonrecourse loans available to producers of additional peanuts at such rates as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets.

(2) ANNOUNCEMENT.—The Secretary shall announce the loan rate for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the loan rate is being determined.

(c) AREA MARKETING ASSOCIATIONS.—

(1) WAREHOUSE STORAGE LOANS.—

(A) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

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

(C) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include such costs as the area marketing association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(2) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico.

(B) ELIGIBILITY TO PARTICIPATE.—

(i) IN GENERAL.—Except as provided in clause (ii), in the case of the 1996 and subsequent crops, Valencia peanuts not physically produced in the State of New Mexico shall not be eligible to participate in the pools of the State.

(ii) EXCEPTION.—A resident of the State of New Mexico may enter Valencia peanuts that are produced outside of the State into the pools of the State in a quantity that is not greater than the 1995 crop of the resident.

(C) TYPES OF PEANUTS.—Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(D) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(i) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool.

(ii) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts.

(d) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(1) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)).

(2) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(3) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under subsection (g) (except funds attributable to handlers) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under subsection (g) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(4) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)), shall be offset by any gains or profits from quota pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(5) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under subsection (g) by such an amount as the Secretary considers necessary to cover the losses. The increased assessment shall apply only to quota peanuts in the production area covered by the pool. Amounts collected under subsection (g) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

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

(f) QUALITY IMPROVEMENT.—

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

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

(B) ensure that all Commodity Credit Corporation inventories of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(C) continue to endeavor to operate the peanut program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

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

(2) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts in the domestic and export markets fully comply with all quality standards under Marketing Agreement No. 146.

(g) MARKETING ASSESSMENT.—

(1) IN GENERAL.—The Secretary shall provide for a nonrefundable marketing assessment. The assessment shall be made on a per pound basis in an amount equal to 1.1 percent for each of the 1994 and 1995 crops, 1.15 percent for the 1996 crop, and 1.2 percent for each of the 1997 through 2002 crops, of the national average quota or additional peanut loan rate for the applicable crop.

(2) FIRST PURCHASERS.—

(A) IN GENERAL.—Except as provided under paragraphs (3) and (4), the first purchaser of peanuts shall—

(i) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by—

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

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

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

(ii) pay, in addition to the amount collected under clause (i), a marketing assessment in an amount equal to the quantity of

peanuts acquired multiplied by .55 percent of the applicable national average loan rate; and

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

(B) DEFINITION OF FIRST PURCHASER.—In this subsection, the term ''first purchaser'' means a person acquiring peanuts from a producer except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

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

(4) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(5) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with the requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

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

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

(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

(h) CROPS.—Subsections (a) through (f) shall be effective only for the 1996 through 2002 crops of peanuts.

(i) MARKETING QUOTAS.—

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

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

(i) in the section heading, by striking ''**1991 THROUGH 1997 CROPS OF**'';

(ii) in subsections (a)(1), (b)(1)(B), (b)(2)(A), (b)(2)(C), and (b)(3)(A), by striking ''of the 1991 through 1997 marketing years'' each place it appears and inserting ''marketing year'';

(iii) in subsection (a)(3), by striking ''1990'' and inserting ''1990, for the 1991 through 1995 marketing years, and 1995, for the 1996 through 2002 marketing years'';

(iv) in subsection (b)(1)(A)—

(I) by striking ''each of the 1991 through 1997 marketing years'' and inserting ''each marketing year''; and

(II) in clause (i), by inserting before the semicolon the following: '', in the case of the 1991 through 1995 marketing years, and the 1995 marketing year, in the case of the 1996 through 2002 marketing years''; and

(v) in subsection (f), by striking ''1997'' and inserting ''2002'';

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking ''**1991 THROUGH 1995 CROPS OF**''; and

(ii) in subsection (c), by striking ''1995'' and inserting ''2002'';

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking ''1995'' and inserting ''2002''; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking ''**FOR 1991 THROUGH 1997 CROPS OF PEANUTS**''; and

(ii) in subsection (i), by striking ''1997'' and inserting ''2002''.

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

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

(A) in subsection (a)(1), by striking ''domestic edible, seed,'' and inserting ''domestic edible use'';

(B) in subsection (b)(2)—

(i) in subparagraph (A), by striking ''subparagraph (B) and subject to''; and

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

''(B) TEMPORARY QUOTA ALLOCATION.—

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

''(ii) QUANTITY.—The temporary quota allocation shall be equal to the pounds of seed peanuts planted on the farm, as may be adjusted under regulations prescribed by the Secretary.

''(iii) ADDITIONAL QUOTA.—The temporary allocation of quota pounds under this paragraph shall be in addition to the farm poundage quota otherwise established under this subsection and shall be credited, for the applicable marketing year only, in total to the producer of the peanuts on the farm in a manner prescribed by the Secretary.

''(iv) EFFECT OF OTHER REQUIREMENTS.—Nothing in this section alters or changes the requirements regarding the use of quota and additional peanuts established by section 358e(b).''; and

(C) in subsection (e)(3), strike ''and seed and use on a farm''.

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

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

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

(ii) in paragraph (3)(B), by striking ''include—'' and clauses (i) and (ii) and inserting ''include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).''; and

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

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

(i) in paragraph (1), by striking ''(including any applicable under marketings)'' both places it appears;

(ii) in paragraph (1)(A), by striking ''of undermarketings and'';

(iii) in paragraph (2), by striking ''(including any applicable under marketings)''; and

(iv) in paragraph (3), by striking ''(including any applicable undermarketings)''.

(5) DISASTER TRANSFERS.—Section 358–1(b) of the Act (7 U.S.C. 1358–1(b)), as amended by paragraph (4)(A)(iii), is further amended by adding at the end the following:

''(8) DISASTER TRANSFERS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts produced on a farm from which the quota poundage was not harvested and marketed because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation provide.

''(B) LIMITATION.—The poundage of peanuts transferred under subparagraph (A) shall not exceed the difference between—

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

''(ii) the total farm poundage quota, excluding quota pounds transferred to the farm in the fall.

''(C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at not more than 70 percent of the quota support rate for the marketing years in which the transfers occur. The transfers for a farm shall not exceed 25 percent of the total farm quota pounds, excluding pounds transferred in the fall.''.

**SEC. 107. SUGAR PROGRAM.**

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

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

(c) TERM OF LOANS.—

(1) IN GENERAL.—Loans under this section during any fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature at the earlier of—

(A) the end of 9 months; or

(B) the end of the fiscal year.

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

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

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

(d) LOAN TYPE; PROCESSOR ASSURANCES.—

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

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

(3) PROCESSOR ASSURANCES.—If the Secretary is required under paragraph (2) to make nonrecourse loans available during a fiscal year or to change recourse loans into nonrecourse loans, the Secretary shall obtain from each processor that receives a loan under this section such assurances as the Secretary considers adequate to ensure that the processor will provide payments to producers that are proportional to the value of the loan received by the processor for sugar beets and sugarcane delivered by producers served by the processor. The Secretary may establish appropriate minimum payments for purposes of this paragraph.

(e) MARKETING ASSESSMENT.—

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

(A) in the case of marketings during fiscal year 1996, 1.1 percent of the loan rate established under subsection (a) per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing); and

(B) in the case of marketings during each of fiscal years 1997 through 2003, 1.375 percent of the loan rate established under subsection (a) per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing).

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

(A) in the case of marketings during fiscal year 1996, 1.1794 percent of the loan rate established under subsection (a) per pound of beet sugar, processed by the processor from domestically produced sugar beets or sugar beet molasses, that has been marketed; and

(B) in the case of marketings during each of fiscal years 1997 through 2003, 1.47425 percent of the loan rate established under subsection (a) per pound of beet sugar, processed by the processor from domestically produced sugar beets or sugar beet molasses, that has been marketed.

(3) COLLECTION.—

(A) TIMING.—A marketing assessment required under this subsection shall be collected on a monthly basis and shall be remitted to the Commodity Credit Corporation not later than 30 days after the end of each month. Any cane sugar or beet sugar processed during a fiscal year that has not been marketed by September 30 of the year shall be subject to assessment on that date. The sugar shall not be subject to a second assessment at the time that it is marketed.

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

(4) PENALTIES.—If any person fails to remit the assessment required by this subsection or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

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

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

(5) ENFORCEMENT.—The Secretary may enforce this subsection in a court of the United States.

(f) FORFEITURE PENALTY.—

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

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

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

(4) EFFECT OF FORFEITURE.—Any payments owed producers by a processor that forfeits of any sugar pledged as collateral for a nonrecourse loan shall be reduced in proportion to the loan forfeiture penalty incurred by the processor.

(g) INFORMATION REPORTING.—

(1) DUTY OF PROCESSORS AND REFINERS TO REPORT.—A sugarcane processor, cane sugar refiner, and sugar beet processor shall furnish the Secretary, on a monthly basis, such information as the Secretary may require to administer sugar programs, including the quantity of purchases of sugarcane, sugar beets, and sugar, and production, importation, distribution, and stock levels of sugar.

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

(3) MONTHLY REPORTS.—Taking into consideration the information received under paragraph (1), the Secretary shall publish on a monthly basis composite data on production, imports, distribution, and stock levels of sugar.

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

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

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## COCHRAN AMENDMENT NO. 3351

(Ordered to lie on the table.)

Mr. COCHRAN submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the end of subtitle E of Title III add the following:

**SEC. . WILDLIFE HABITAT INCENTIVES PROGRAM.**

The Secretary of Agriculture, in consultation with the State Technical Committee, shall establish a program within the Natural Resources Conservation Service to be known as the Wildlife Habitat Incentives Program. The program shall make cost-share payments to landowners to develop upland wildlife, wetland wildlife, threatened and endangered species, fisheries, and other types of wildlife habitat approved by the Secretary. To carry out this section, $10,000,000 for each of the fiscal years 1996 through 2002, shall be made available from the program authorized by subchapter B of Chapter 1 of Subtitle D of title XII of the Food Security Act of 1985.

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## CONRAD AMENDMENTS NOS. 3352–3353

(Ordered to lie on the table.)

Mr. CONRAD submitted two amendments intended to be proposed by him to amendment No. 3252 submitted by Mr. LUGAR to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3352

On page 4–45, strike lines 9 through 13 and insert the following:

''The Secretary may not reschedule or reamortize a loan for a borrower under this title who has not requested consideration under section 331D(e) unless the borrower—

''(1) after paying all family living an operating expenses, excluding interest, can pay a portion, as determined by the Secretary, of the interest due on the loan;

''(2) has disposed of all normal income security; and

''(3) has satisfied any liens.

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AMENDMENT NO. 3353

On page 4–29, strike lines 21 and 22 and insert the following:

(i) by striking ''exceed 15 percent'' and all that follows through ''Code'' and inserting the following: ''exceed—

''(i) 25 percent of the median acreage of the farms or ranches, as the case may be, in the county in which the farm or ranch operations of the applicant are located, as reported in the most recent census of agriculture taken under section 142 of title 13, United States Code; and

''(ii) 40 percent of the national average acreage of the farms or ranches, as the case may be, engaged in the type of commodity or livestock operation in which the farmer or rancher is engaged, as determined by the Secretary''; and

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## CONRAD AMENDMENT NO. 3354

(Ordered to lie on the table.)

Mr. CONRAD submitted an amendment intended to be proposed by him to amendment No. 3252 submitted by Mr. LUGAR to the bill S. 1541, supra; as follows:

In Section 381E(c)(3) of Sec. 561, Rural Community Advancement Program, of Title V—Rural Development, strike the following: ''; and

''(D) grants to broadcasting systems provided under section 310B(f)''.

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## CONRAD AMENDMENT NO. 3355

(Ordered to lie on the table.)

Mr. CONRAD submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

Title I is amended by—

(1) striking ''2002'' each place it appears and inserting ''1998'';

(2) striking ''2003'' each place it appears and inserting ''1999'';

(3) in section 103 striking subsections (d) through (f) and inserting the following:

''(e) CONTRACT PAYMENTS.—

''(1) IN GENERAL.—The Secretary shall provide advanced and final payments to owners and operators in accordance with the this subsection.

''(2) ADVANCED PAYMENTS.—

''(A) IN GENERAL.—An owner or operator shall receive an advanced payment by June 15 for the 1996 fiscal year and December 15 for the 1997 and 1998 fiscal years which represents the product of—

''(i) the applicable payment rate described in subparagraph (B);

''(ii) the farm program payment yield; and

''(iii) 85 percent of the contract acreage.

''(B) PAYMENT RATE.—The payment rate shall be—

''(i) for corn, $.16 per bushel;

''(ii) for grain sorghum, $.19 per bushel;

''(iii) for barley, $.12 per bushel;

''(iv) for oats, $.02 per bushel;

''(v) for wheat, $.27 per bushel;

''(vi) for rice, $1.14 per hundredweight; and

''(vii) for upland cotton, $.032 per pound.

''(3) FINAL PAYMENT.—

''(A) IN GENERAL.—The Secretary shall make a final payment which represents the county rate described in subparagraph (B) multiplied by lessor of—

''(i) 85 percent of the contract acreage; or

''(ii) contract acreage planted to the contract commodity

''(B) COUNTY RATE.—The county rate is the difference between the target county revenue described in clause (i) and the current county revenue described in clause (ii).

''(i) TARGET COUNTY REVENUE.—The target county revenue shall equal to the product of—

''(I) the five year average county yield for the contract commodity, excluding the year in which the average yield was the highest and the lowest; and

''(II) the established price for the commodity for the 1995 crop.

''(ii) CURRENT COUNTY REVENUE.—The current county revenue shall equal the product of—

''(I) the average price for the contract commodity for the first five months of the marketing year; and

''(II) the county average yield for the contract commodity.

''(iii) LIMITATION.—The final payment shall be reduced by the advanced payment, but in no case shall the final payment be less than zero.''

(4) in section 104(b) by striking paragraphs (1)(A)(ii), (2)(A)(ii), (3)(B), and (4)(B).

## CONRAD (AND HEFLIN) AMENDMENT NO. 3356

(Ordered to lie on the table.)

Mr. CONRAD (for himself and Mr. HEFLIN) submitted an amendment intended to be proposed by him to amendment No. 3252 submitted by Mr. LUGAR to the bill S. 1541, supra; as follows:

Beginning on page 5–86, strike line 11 and all that follows through page 5–87, line 11, and insert the following:

''(3) RURAL BUSINESS AND COOPERATIVE DEVELOPMENT.—The rural business and cooperative development category shall include funds made available for—

''(A) rural business opportunity grants provided under section 306(a)(11)(A);

''(B) business and industry guaranteed loans provided under section 310B(a)(1); and

''(C) rural business enterprise grants and rural educational network grants provided under section 310B(c).

''(d) OTHER PROGRAMS.—Subject to subsection (e), in addition to any other appropriated amounts, the Secretary may transfer amounts allocated for a State for any of the 3 function categories for a fiscal year under subsection (c) to—

''(1) mutual and self-help housing grants provided under section 523 of the Housing Act of 1949 (42 U.S.C. 1490c);

''(2) rural rental housing loans for existing housing provided under section 515 of the Housing Act of 1949 (42 U.S.C. 1485);

''(3) rural cooperative development grants provided under section 310B(e); and

''(4) grants to broadcasting systems provided under section 310B(f).

## CONRAD (AND HEFLIN) AMENDMENT NO. 3357

(Ordered to lie on the table.)

Mr. CONRAD (for himself and Mr. HEFLIN) submitted an amendment intended to be proposed by him to an amendment submitted by Mr. LUGAR to an amendment submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 4–28, strike line 16 and insert the following: (U.S.C. 488 et seq.)

''(IV) LIMITATIONS ON LIQUIDATIONS.—In the case of a default by a borrower on a loan made or guaranteed under this title involving a security interest in tribal allotted or trust land, the Secretary shall only pursue liquidation after offering to transfer the land to an eligible tribal member, the tribe, or the Secretary of the Interior. If the Secretary subsequently proceeds to liquidate the loan, the Secretary shall not transfer or otherwise dispose of or alienate the land except to 1 of the persons described in the preceding sentence. The Secretary shall not be required to make any payment in lieu of taxes on property held under this subclause.'';

## CONRAD AMENDMENT NO. 3358

(Ordered to lie on the table.)

Mr. CONRAD submitted an amendment intended to be proposed by him to amendment No. 3252 submitted by Mr. LUGAR to the bill S. 1541, supra; as follows:

In Section 547(e)(3) of Subtitle B—Amendments to the Consolidated Farm and Rural Development Act of Title V—Rural Development of Amendment #3252 submitted by Senator Lugar, strike '', and rural businesses''.

## LEVIN AMENDMENTS NOS. 3359–3361

(Ordered to lie on the table.)

Mr. LEVIN submitted three amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3359

At the appropriate place in the title relating to agricultural trade, insert the following:

**SEC. . ELIGIBILITY AND ADMINISTRATIVE REQUIREMENTS OF THE MARKET PROMOTION PROGRAM.**

Section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) is amended by adding at the end the following:

''(h) ELIGIBILITY AND ADMINISTRATIVE REQUIREMENTS.—As a criterion of eligibility for participation in the market promotion program, the Secretary may not require—

''(1) a commodity organization to establish or support a full-time administrative office in Washington, D.C., or elsewhere; or

''(2) an organization of producers of a type of a commodity to contribute a portion of matching market promotion program expenditures of an organization representing producers of the entire commodity.''.

AMENDMENT NO. 3360

At the end of the title relating to conservation, insert the following:

**SEC. . BIOLOGICAL-CONTROL ORGANISMS.**

(a) GUIDE.—The Administrator of the Environmental Protection Agency and the Secretary of Agriculture shall jointly develop and publish a guide to risk criteria, data requirements, and oversight procedures that apply to importation, movement, introduction, testing, and registration or release of biological-control organisms or products.

(b) REPORT.—Not later than 3 years after the date of enactment of this Act, the Administrator and the Secretary shall make recommendations to Congress based on the guide for changing the law to improve the process of registration or release and the oversight of biological-control organisms and products.

AMENDMENT NO. 3361

At the end of the title relating to conservation, insert the following:

**SEC. . GREAT LAKES SOIL EROSION AND SEDIMENT CONTROL PROGRAM.**

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a Great Lakes Soil Erosion and Sediment Control Program.

(b) GRANTS.—Under the Program, the Natural Resources Conservation Service, in consultation with the Great Lakes Commission (established under Article IV of the Great Lakes Compact of which Congress granted consent in the Act of July 24, 1968, Public Law 90–419) shall provide grants to persons to demonstrate innovative approaches to controlling and reducing the loss of soil in the Great Lakes Basin.

(c) AUTHORIZATION.—There is authorized to be appropriated to carry out this section a total of $5,000,000 for fiscal years 1996 through 2001.

## HARKIN AMENDMENTS NOS. 3362–3363

(Ordered to lie on the table.)

Mr. HARKIN submitted two amendments intended to be proposed by him to an amendment proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3362

Strike section 505 and insert the following:

**''SEC. 505. EXPORT ENHANCEMENT PROGRAM.**

''Notwithstanding section 203, the Commodity Credit Corporation shall make available to carry out the program established under the Agricultural Trade Act of 1978 (7 U.S.C. 5651(e)(1)) not more than:

''(A) $312,857,144 for fiscal year 1996;

''(B) $312,857,144 for fiscal year 1997;

''(C) $462,857,144 for fiscal year 1998;

''(D) $512,857,144 for fiscal year 1999;

''(E) $541,857,144 for fiscal year 2000;

''(F) $440,857,144 for fiscal year 2001; and

''(G) $440,857,144 for fiscal year 2002.''

AMENDMENT NO. 3363

On page 5–10, strike line 8 and all that follows through line 15.

## HARKIN AMENDMENT NO. 3364

(Ordered to lie on the table.)

Mr. HARKIN submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

Section 104(b) is amended by adding at the end the following:

''(7) LOCAL LOAN RATES.—The Secretary may not reduce the loan rate for a crop in a county by an amount in excess of 3 percent of the national loan rate.

## HARKIN AMENDMENTS NOS. 3365–3366

(Ordered to lie on the table.)

Mr. HARKIN submitted two amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3365

On page 1–17, line 21, after ''15 percent'', insert the following: ''(or in the case of a producer participating in the Integrated Farm Management Program Option established under section 1451 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5822), which is authorized to be carried out through the end of calendar year 2002, 30 percent)''.

AMENDMENT NO. 3366

At the appropriate place in title III, insert the following:

**SEC. 3 . INTEGRATED FARM MANAGEMENT PROGRAM OPTION.**

Section 1451 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5822) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking subparagraph (A) and inserting the following:

''(A) RESOURCE-CONSERVING CROP.—The term 'resource-conserving crop' means—

''(i)(I) any legume, grass, brassica cover crop or forage, or alternative crop; and

''(II) any interseeded or relay-planted combination of a crop described in subclause (I);

''(ii) any interseeded or relay-planted combination of a crop described in subclause (I) and a small grain; and

''(iii) such other crops as the Secretary may designate.''; and

(B) in paragraph (2)—

(i) by striking subparagraph (B) and inserting the following:

''(B) LEGUME.—The term 'legume' means any legume grown for use as a forage, green

manure, or biomass feedstock, but not including any pulse crop from which seeds are harvested and sold for a purpose other than use as seed for planting.'';

(ii) in subparagraph (D), by striking ''grown in arid and semiarid regions''; and

(iii) by adding at the end the following:

''(E) SPECIAL CONSERVATION PRACTICE.—The term 'special conservation practice' means establishment of—

''(i) a field border, contour grass strip, grass waterway, filterstrip, grass windbreak, buffer area, wildlife habitat planting, or habitat planting for beneficial organisms that aid in the control of pests; and

''(ii) such other practices as the Secretary may designate.'';

(2) in subsection (d), by striking ''1995'' and inserting ''2002'';

(3) in subsection (f)—

(A) in paragraph (2), by inserting ''or special conservation practice'' and ''rotation''; and

(B) in paragraph (3), by inserting ''or special conservation practice'' after ''rotation''; and (4) in subsection (h)—

(A) in paragraph (5)(A), by striking ''such acreage'' each place it appears and inserting ''any such acreage in excess of 30 percent of the crop acreage bases enrolled in the program''; and

(B) by striking paragraph (7).

## HARKIN AMENDMENT NO. 3367

(Ordered to lie on the table.)

Mr. HARKIN submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

Section 314 is amended by striking ''(ii) 10,000 beef cattle'' and all that follows through ''lambs;'' and inserting the following:

''(ii) 1,000 beef cattle;

''(iii) 100,000 laying hens or broilers;

''(iv) 55,000 turkeys;

''(v) 2,500 swine; or

''(vi) 10,000 sheep or lambs.''

## HARKIN AMENDMENTS NOS. 3368–3372

(Ordered to lie on the table.)

Mr. HARKIN submitted five amendments intended to be proposed by him to an amendment proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3368

On page 1–26, strike line 16 and all that follows through line 25 and insert the following:

(6) OILSEEDS.—

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be—

Not less than 90 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rate for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed shall be—

Not less than 90 percent of the simple average price received by producers of sunflower seed, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of sunflower seed, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

AMENDMENT NO. 3369

On page 1–26, strike line 16 and all that follows through line 25 and insert the following:

(6) OILSEEDS.—

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be—

Not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rate for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed shall be—

Not less than 85 percent of the simple average price received by producers of sunflower seed, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of sunflower seed, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

AMENDMENT NO. 3370

Beginning on page 1–21, strike line 5 and all that follows through page 1–26, line 25, and insert the following:

(1) WHEAT.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for wheat shall be not less than 90 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

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

(ii) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for wheat under subparagraph (B) shall not be considered in determining the loan rate for wheat for subsequent years.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for corn shall be not less than 90 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn to total use for the marketing year will be—

(i) equal to or greater than 25 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 12.5 percent the Secretary may not reduce the loan rate for corn for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for corn under subparagraph (B) shall not be considered in determining the loan rate for corn for subsequent years.

(D) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

(3) UPLAND COTTON.—

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

(i) 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 in the year in which the loan rate is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

(ii) 90 percent of the average, for the 15-week period beginning July 1 of the year in which the loan rate is announced, of the 5 lowest-priced growths of the growths quoted for Middling 1 3/32-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between the average Northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton), as determined by the Secretary.

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

(4) EXTRA LONG STAPLE COTTON.—The loan rate for a marketing assistance loan for extra long staple cotton shall be—

(A) not less than 85 percent of the simple average price received by producers of extra long staple cotton, as determined by the Secretary, during 3 years of the 5 previous marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $0.7965 per pound.

(5) RICE.—The loan rate for a marketing assistance loan for rice shall be $6.50 per hundredweight.

(6) OILSEEDS.—

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be—

Not less than 90 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rate for a marketing assistance

loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed shall be—

Not less than 90 percent of the simple average price received by producers of sunflower seed, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of sunflower seed, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

AMENDMENT NO. 3371

Beginning on page 1–21, strike line 5 and all that follows through page 1–23, line 3, and insert the following:

(1) WHEAT.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for wheat shall be not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

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

(ii) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for wheat under subparagraph (B) shall not be considered in determining the loan rate for wheat for subsequent years.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for corn shall be not less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

AMENDMENT NO. 3372

At the appropriate place insert the following new section:

**SEC. . RESEARCH PROGRAM FOR DESIGNING FOODS TO IMPROVE HUMAN NUTRITION.**

Section 1427 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3177) is amended to read as follows:

**"SEC. 1427. RESEARCH PROGRAM FOR DESIGNING FOODS TO IMPROVE HUMAN NUTRITION.**

''(a) AUTHORITY OF SECRETARY.—

''(1) IN GENERAL.—The Secretary may establish, and award grants for projects for, coordinated interdisciplinary research into—

''(A) food selection and consumption;

''(B) the nutritional composition and nutrient utilization of foods; and

''(C) designing and developing new foods for improving human nutrition and health.

''(2) EMPHASIS OF RESEARCH.—In administering human nutrition research projects under this section, the Secretary shall give specific emphasis to—

''(A) designing and developing new foods, and improving food production and processing, to improve the nutritional quality of the food supply with considerations for consumer preferences and economic factors;

''(B) identifying the food components and other factors in agricultural commodities and food products that affect nutrient bioavailability, nutrient utilization and health maintenance;

''(C) evaluating nutrient utilization and function to determine which nutrients should be emphasized in designing new foods and making food selection recommendations; and

''(D) identifying the determinants of food selection and consumption and developing educational strategies for improving food selection and consumption patterns.

''(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for fiscal years 1996 through 2002.''.

HARKIN AMENDMENT NO. 3373

(Ordered to lie on the table.)

Mr. HARKIN submitted an amendment intended to be proposed by him to amendment No. 3252 submitted by Mr. LUGAR to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place insert the following new section:

**SEC. . AMERICA'S AGRICULTURAL HERITAGE PARTNERSHIP.**

(a) FINDINGS AND PURPOSE.—

The Congress finds that—

(1) the city of Waterloo, Iowa, and northeast Iowa of the State possess many important elements of the nationally significant story of American agriculture, including Native American agriculture, agricultural mechanization, seed hybridization, farm cooperative movements, rural electrification, farm-to-market systems, rural to urban migration, veterinary practice, food processing and preservation, national farm organizations, international hunger relief, and the development of national and international agribusiness;

(2) these resources offer outstanding and unique opportunities to acknowledge and appreciate the development of American agriculture;

(3) the National Park Service has determined that the story of American agriculture is nationally significant, that northeast Iowa is an ideal place to tell that story, and that this story could be divided into 4 principal topics for interpretation in northeast Iowa: the Amazing Science of Agriculture, Agriculture as a Way of Life, Organizing for Survival, and Crops from Field to Table;

(4) the responsibility for interpreting, retaining, enhancing, and promoting the resources, values, and amenities of Waterloo, Iowa and northeast Iowa resides with volunteer associations, private businesses, political subdivisions of the State, and the State of Iowa; and

(5) despite the efforts by volunteer associations, private businesses, political subdivisions of the State, and the State of Iowa, the cultural and historical resources of the area have not realized full potential and may be lost without some assistance from the Federal Government.

(b) PURPOSES.—The purposes of this Act are—

(1) to interpret, retain, enhance, and promote the unique and significant contributions to national and international agriculture of certain natural, historic, and cultural resources within Waterloo, Iowa, and northeast Iowa;

(2) to provide a partnership management framework to assist volunteer associations, private businesses, political subdivisions of the State, and the State of Iowa in developing and implementing Management Plan policies and programs that will assist in the interpretation, retention, enhancement, and promotion of the cultural, natural, and recreational resources of northeast Iowa;

(3) to allow for local, State, and Federal contributions through limited grants and technical assistance to create America's Agricultural Heritage Partnership through cooperative agreements among volunteer associations, private businesses, political subdivisions of the State, the State of Iowa, and residents of the area; and

(4) to provide for an economically self-sustaining Partnership for the educational and inspirational benefit of current and future generations concerning the story of American agriculture.

(c) DEFINITIONS.

As used in this Act:

(1) PARTNERSHIP.—The term ''Partnership'' means the America's Agricultural Heritage Partnership as established by section 3(a).

(2) MANAGEMENT ENTITY.—The term ''management entity'' means the management entity as established by section 4(a).

(3) POLITICAL SUBDIVISION.—The term ''political subdivision'' means a political subdivision of the State of Iowa, any part of which is located in or adjacent to the area in which the Partnership's Activities occur, including a county, city, or town.

(4) STATE.—The term ''State'' means the State of Iowa.

(5) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(6) PARTNERSHIP MANAGEMENT PLAN.—The term ''Partnership Management Plan'' means the plan as established in section 5(a).

(7) ACTIVITIES.—The term ''activities'' means the activities limited in section 3(b).

(d) ESTABLISHMENT OF THE AMERICA'S AGRICULTURAL HERITAGE PARTNERSHIP.

(1) ESTABLISHMENT.—To carry out this Act, there is established in the State of Iowa the America's Agricultural Heritage Partnership upon publication by the Secretary in the Federal Register of notice that a Partnership Management Plan has been approved by the Secretary.

(2) ACTIVITIES.—The Partnership's activities shall be limited to the counties of northeast Iowa that are generally depicted in ''Alternatives #2 and #3'' described in the 1995 National Park Service ''Special Resource Study, Cedar Valley, Iowa.''.

(3) PARTICIPATION.—Nothing in this Act shall require any resident located in the area in which the Partnership's activities occur to participate in or be associated with the Partnership or the Partnership's activities.

(4) AFFILIATIONS.—Nothing in this Act shall prohibit future affiliations or designations of the Partnership or Partnership Management Entity.

(5) GRANTS, TECHNICAL ASSISTANCE, AND COOPERATIVE AGREEMENTS.—

(A) GRANTS AND TECHNICAL ASSISTANCE.—The Secretary may make grants and provide technical assistance to America's Agricultural Heritage Partnership to assist it in carrying out its purposes.

(B) COOPERATIVE AGREEMENTS.—The Secretary is authorized to enter into cooperative agreements with private entities, the State of Iowa, or any political subdivision thereof, and other Federal entities, to further the purposes of this Act, the Partnership, or the Partnership Management Entity.

(e) ESTABLISHMENT OF THE AMERICA'S AGRICULTURAL HERITAGE PARTNERSHIP MANAGEMENT ENTITY.

(1) ESTABLISHMENT.—There is established a management entity for the Partnership

based on the ''Management Option #5'' outlined in the 1995 National Park Service ''Special Resource Study, Cedar Valley, Iowa'' and subject to the approval of the Secretary.

(2) PARTNERSHIP MANAGEMENT PLAN.—The Partnership management entity shall be established in the Partnership Management Plan as established in section 5(a).

(3) COMPOSITION.—The membership of the management entity may include persons affiliated with the following entities: the American Association of Museums, American Farm Bureau, National Farmers Union, American Farmland Trust, Effigy Mounds National Monument and Herbert Hoover National Historic Site, Iowa Department of Agriculture and Land Stewardship, Iowa Department of Corrections, Iowa Department of Cultural Affairs, Iowa Department of Economic Development, National Trust for Historic Preservation, Smithsonian Institution, the State Historic Preservation Office of the State of Iowa, United States Department of Agriculture, United States Department of Transportation and the America's Agricultural/Industrial Heritage Landscape, Inc.

(f) PARTNERSHIP MANAGEMENT PLAN.—

(1) PREPARATION OF PARTNERSHIP MANAGEMENT PLAN.—A Partnership Management Plan shall be submitted to the Secretary for approval no later than one year after the date of the enactment of this Act.

(2) ASSISTANCE.—The Secretary may provide technical assistance in the preparation of the Partnership Management Plan.

(g) LAND USE REGULATION AND PRIVATE PROPERTY PROTECTION.—

(1) REGULATION.—Nothing in this Act shall be construed to modify, enlarge, or diminish any authority of Federal, State, and local governments to regulate any use of privately owned land than that provided by current law or regulation.

(2) LAND USE.—Nothing in this Act shall be construed to grant the powers of zoning, land use or condemnation to the Partnership Management Entity, the Secretary or any other Federal, State, or local government entity.

(h) AUTHORIZATION.—

(1) IN GENERAL.—There is authorized to be appropriated not more than $400,000 annually for grants and technical assistance under sections 3(e)(1) and 5(b).

(2) PERCENT OF COST.—Federal funding under sections 3(e)(1) and 5(b) shall not exceed 50 percent of the total cost of the grant or technical assistance provided under such section.

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## HARKIN AMENDMENT NO. 3374

(Ordered to lie on the table.)

Mr. HARKIN submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike all after the enacting clause and insert the following:

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

(a) SHORT TITLE.—This Act may be cited as the ''Farm Security Act of 1996''.

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

Sec. 1. Short title; table of contents.

TITLE I—COMMODITY PROGRAMS

Sec. 101. Wheat, feed grain, and oilseed program.
Sec. 102. Upland cotton program.
Sec. 103. Rice program.
Sec. 104. Peanut program.
Sec. 105. Dairy program.
Sec. 106. Sugar program.
Sec. 107. Suspension of permanent price support authority.
Sec. 108. Extension of related price support provisions.
Sec. 109. Crop insurance administrative fee.
Sec. 110. Effective date.

TITLE II—CONSERVATION

Sec. 201. Conservation reserve program.
Sec. 202. Environmental quality incentives program.

TITLE III—NUTRITION ASSISTANCE

Sec. 301. Food stamp program.
Sec. 302. Commodity distribution program; commodity supplemental food program.
Sec. 303. Emergency food assistance program.
Sec. 304. Soup kitchens program.
Sec. 305. National commodity processing.

## TITLE I—COMMODITY PROGRAMS

**SEC. 101. WHEAT, FEED GRAIN, AND OILSEED PROGRAM.**

(a) IN GENERAL.—Title I of the Agricultural Act of 1949 (7 U.S.C. 1441 et seq.) is amended by adding the end the following:

**''SEC. 116. MARKETING LOANS AND LOAN DEFICIENCY PAYMENTS FOR 1996 THROUGH 2002 CROPS OF WHEAT, FEED GRAINS, AND OILSEEDS.**

''(a) DEFINITIONS.—In this section:

''(1) COVERED COMMODITIES.—The term 'covered commodities' means wheat, feed grains, and oilseeds.

''(2) FEED GRAINS.—The term 'feed grains' means corn, grain sorghum, barley, oats, millet, rye, or as designated by the Secretary, other feed grains.

''(3) OILSEEDS.—The term 'oilseeds' means soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or as designated by the Secretary, other oilseeds.

''(b) ADJUSTMENT ACCOUNT.—

''(1) DEFINITION OF PAYMENT BUSHEL OF PRODUCTION.—In this subsection, the term 'payment bushel of production' means—

''(A) in the case of wheat, 7/10 of a bushel;

''(B) in the case of corn, a bushel; and

''(C) in the case of other feed grains, a quantity determined by the Secretary.

''(2) ESTABLISHMENT.—The Secretary shall establish an Adjustment Account (referred to in this subsection as the 'Account') for making—

''(A) payments to producers of the 1996 through 2002 crops of covered commodities who participate in the marketing loan program established under subsection (c); and

''(B) payments to producers of the 1994 and 1995 crops of covered commodities that are authorized, but not paid, under sections 105B and 107B prior to the date of enactment of this section.

''(3) AMOUNT IN ACCOUNT.—The Secretary shall transfer from funds of the Commodity Credit Corporation into the Account—

''(A) $3,000,000,000 for fiscal year 1996; and

''(B) $3,900,000,000 for each of fiscal years 1997 through 2002;

to remain available until expended.

''(4) PAYMENTS.—The Secretary shall use funds in the Account to make payments to producers of wheat and feed grains in accordance with this subsection.

''(5) TIER 1 SUPPORT.—

''(A) IN GENERAL.—The producers on a farm referred to in paragraph (2) shall be entitled to a payment computed by multiplying—

''(i) the payment quantity determined under subparagraph (B); by

''(ii) the payment factor determined under subparagraph (C).

''(B) PAYMENT QUANTITY.—

''(i) IN GENERAL.—Subject to clause (ii), the payment quantity for payments under subparagraph (A) shall be determined by the Secretary based on—

''(I) 90 percent of the 5-year average of the quantity of wheat and feed grains produced on the farm;

''(II) an adjustment to reflect any disaster or other circumstance beyond the control of the producers that adversely affected production of wheat or feed grains, as determined by the Secretary; and

''(III) an adjustment for planting resource conservation crops on the crop acreage base for covered commodities, and adopting conserving uses, on the base not enrolled in the environmental reserve program provided in paragraph (6).

''(ii) LIMITATIONS.—The quantity determined under clause (i) for an individual, directly or indirectly, shall not exceed 30,000 payment bushels of wheat or feed grains and may be adjusted by the Secretary to reflect the availability of funds.

''(C) PAYMENT FACTOR.—

''(i) WHEAT.—The payment factor for wheat under subparagraph (A) shall be equal to the difference between a price established by the Secretary, of not to exceed $4.00 per bushel, and the greater of—

''(I) the marketing loan rate for the crop of wheat; or

''(II) the average domestic price for wheat for the crop for the calendar year in which the crop is normally harvested.

''(ii) CORN.—The payment factor for corn under subparagraph (A) shall be equal to the difference between a price established by the Secretary, of not to exceed $2.75 per bushel, and the greater of—

''(I) the marketing loan rate for the crop of corn; or

''(II) the average domestic price for corn for the crop for the calendar year in which the crop is normally harvested;

''(iii) OTHER FEED GRAINS.—The payment factor for other feed grains under subparagraph (A) shall be established by the Secretary at such level as the Secretary determines is fair and reasonable in relation to the payment factor for corn.

''(D) ADVANCE PAYMENT.—The Secretary shall make available to producers on a farm 50 percent of the projected payment under this subsection at the time the producers agree to participate in the program.

''(6) ENVIRONMENTAL RESERVE PROGRAM.—

''(A) IN GENERAL.—The Secretary may enter into 1 to 5 year contracts with producers on a farm referred to in paragraph (2) for the purposes of enrolling flexible acreage base for conserving use purposes.

''(B) LIMITATION.—Flexible acreage base enrolled in the environmental reserve program shall not be eligible for benefits provided in paragraph (5)(B).

''(c) MARKETING LOANS.—

''(1) IN GENERAL.—The Secretary shall make available to producers on a farm marketing loans for each of the 1996 through 2002 crops of covered commodities produced on the farm.

''(2) ELIGIBILITY.—

''(A) IN GENERAL.—To be eligible for a loan under this subsection, the producers on a farm may not plant covered commodities on the farm in excess of the flexible acreage base of the farm determined under section 502.

''(B) AMOUNT.—The Secretary shall provide marketing loans for their normal production of covered commodities produced on a farm.

''(3) LOAN RATE.—

''(A) IN GENERAL.—Loans made under this subsection shall be made at the rate of 90 percent of the average price for the commodity for the previous 5 crop years, as determined by the Secretary.

''(B) ADJUSTMENTS.—For each of the 1996 through 2002 crops of covered commodities, the Secretary may not adjust local loan rates by a factor greater than 3 percent of the national loan rate.

''(4) REPAYMENT.—

''(A) CALCULATION.—Producers on a farm may repay loans made under this subsection for a crop at a level that is the lesser of—

''(i) the loan level determined for the crop; or

''(ii) the prevailing domestic market price for the commodity (adjusted to location and quality), as determined by the Secretary.

''(B) PREVAILING DOMESTIC MARKET PRICE.—The Secretary shall prescribe by regulation—

''(i) a formula to determine the prevailing domestic market price for each covered commodity; and

''(ii) a mechanism by which the Secretary shall announce periodically the prevailing domestic market prices established under this subsection.

''(d) LOAN DEFICIENCY PAYMENTS.—

''(1) IN GENERAL.—The Secretary may, for each of the 1996 through 2002 crops of covered commodities, make payments (referred to in this subsection as 'loan deficiency payments') available to producers who, although eligible to obtain a marketing loan under subsection (c), agree to forgo obtaining the loan in return for payments under this subsection.

''(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

''(A) the loan payment rate; by

''(B) the quantity of a covered commodity the producer is eligible to place under loan but for which the producer forgoes obtaining the loan in return for payments under this subsection.

''(3) LOAN PAYMENT RATE.—

''(A) IN GENERAL.—For the purposes of this subsection, the loan payment rate shall be the amount by which—

''(i) the marketing loan rate determined for the crop under subsection (c)(3); exceeds

''(ii) the level at which a loan may be repaid under subsection (c)(4).

''(B) DATE.—The date on which the calculation required under subparagraph (A) for the producers on a farm shall be determined by the producers, except that the date may not be later than the earlier of—

''(i) the date the producers lost beneficial interest in the crop; or

''(ii) the end of the marketing year for the crop.

''(4) APPLICATION.—Producers on a farm may apply for a payment for a covered commodity under this subsection at any time prior to the end of the marketing year for the commodity.

''(e) EQUITABLE RELIEF.—If the failure of a producer to comply fully with the terms and conditions of programs conducted under this section precludes the making of loans and payments, the Secretary may, nevertheless, make the loans and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure.

''(f) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

''(g) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

''(h) TENANTS AND SHARECROPPERS.—In carrying out this section, the Secretary shall provide adequate safeguards to protect the interest of tenants and sharecroppers.

''(i) CROPS.—This section shall be effective only for the 1996 through 2002 crops of a covered commodity.''.

(b) FLEXIBLE ACREAGE BASE.—

(1) DEFINITIONS.—Section 502 of the Agricultural Act of 1949 (7 U.S.C. 1462) is amended by striking paragraphs (2) and (3) and inserting the following:

''(2) FEED GRAINS.—The term 'feed grains' means corn, grain sorghum, barley, oats, millet, rye, or as designated by the Secretary, other feed grains.

''(3) GO CROPS.—The term 'GO crops' means wheat, feed grains, and oilseeds.

''(4) OILSEEDS.—The term 'oilseed' means a crop of soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or, if designated by the Secretary, other oilseeds.

''(5) PROGRAM CROP.—The term 'program crop' means a GO crop and a crop of upland cotton or rice.''.

(2) CROP ACREAGE BASES.—Section 503(a) of the Act (7 U.S.C. 1463(a)) is amended by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—

''(A) GO CROPS.—The Secretary shall provide for the establishment and maintenance of a single crop acreage base for GO crops, including any GO crops produced under an established practice of double cropping.

''(B) COTTON AND RICE.—The Secretary shall provide for the establishment and maintenance of crop acreage bases for cotton and rice crops, including any program crop produced under an established practice of double cropping.''.

**SEC. 102. UPLAND COTTON PROGRAM.**

(a) EXTENSION.—Section 103B of the Agricultural Act of 1949 (7 U.S.C. 1444–2) is amended—

(1) in the section heading, by striking ''1997'' and inserting ''2002'';

(2) in subsections (a)(1), (b)(1), (c)(1), and (o), by striking ''**1997**'' each place it appears and inserting ''**2002**'';

(3) in subsection (a)(5), by striking ''1998'' each place it appears and inserting ''2002'';

(4) in the heading of subsection (c)(1)(D)(v)(II), by striking ''1997'' and inserting ''2002'';

(5) in subsection (e)(1)(D), by striking ''the 1997 crop'' and inserting ''each of the 1997 through 2002 crops''; and

(6) in subsections (e)(3)(A) and (f)(1), by striking ''1995'' each place it appears and inserting ''2002''.

(b) INCREASE IN NONPAYMENT ACRES.—Section 103B(c)(1)(C) of the Act is amended by striking ''85 percent'' and inserting ''80 percent for each of the 1996 through 2002 crops''.

(c) ADVANCE PAYMENT.—Section 103B(c)(1) of the Act is amended by adding at the end the following:

''(F) ADVANCE PAYMENT.—The Secretary shall make available to producers on a farm 50 percent of the projected payment under this subsection at the time the producers agree to participate in the program.''.

**SEC. 103. RICE PROGRAM.**

(a) EXTENSION.—Section 101B of the Agricultural Act of 1949 (7 U.S.C. 1441–2) is amended—

(1) in the section heading, by striking ''1995'' and inserting ''2002'';

(2) in subsections (a)(1), (a)(3), (b)(1), (c)(1)(A), (c)(1)(B)(iii), (e)(3)(A), (f)(1), and (n), by striking ''1995'' each place it appears and inserting ''2002'';

(3) in subsection (a)(5)(D)(i), by striking ''1996'' and inserting ''2003''; and

(4) in subsection (c)(1)—

(A) in subparagraph (B)(ii)—

(i) by striking ''AND 1995'' and inserting ''THROUGH 2002''; and

(ii) by striking ''and 1995'' and inserting ''through 2002''; and

(B) in subparagraph (D)—

(i) in clauses (i) and (v)(II), by striking ''1997'' each place it appears and inserting ''2002''; and

(ii) in the heading of clause (v)(II), by striking ''1997'' and inserting ''2002''.

(b) INCREASE IN NONPAYMENT ACRES.—Section 101B(c)(1)(C)(ii) of the Act is amended by striking ''85 percent'' and inserting ''80 percent for each of the 1998 through 2002 crops''.

(c) ADVANCE PAYMENT.—Section 101B(c)(1) of the Act is amended by adding at the end the following:

''(F) ADVANCE PAYMENT.—The Secretary shall make available to producers on a farm 50 percent of the projected payment under this subsection at the time the producers agree to participate in the program.''.

**SEC. 104. PEANUT PROGRAM.**

(a) EXTENSION.—

(1) AGRICULTURAL ACT OF 1949.—Section 108B of the Agricultural Act of 1949 (7 U.S.C. 1445c–3) is amended—

(A) in the section heading, by striking ''**1997**'' and inserting ''**2002**'';

(B) in subsection (a)(1), (b)(1), and (h), by striking ''1997'' each place it appears and inserting ''2002''; and

(C) in subsection (g)—

(i) by striking ''1997'' in paragraphs (1) and (2)(A)(ii)(II) and inserting ''2002''; and

(ii) by striking ''the 1997 crop'' each place it appears and inserting ''each of the 1997 through 2002 crops''.

(2) AGRICULTURAL ADJUSTMENT ACT OF 1938.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

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

(i) in the section heading, by striking ''**1997**'' and inserting ''**2002**''; and

(ii) in subsections (a)(1), (b), and (f), by striking ''1997'' each place it appears and inserting ''2002'';

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking ''**1995**'' and inserting ''**2002**''; and

(ii) in subsection (c), by striking ''1995'' and inserting ''2002'';

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking ''1995'' and inserting ''2002''; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking ''**1997**'' and inserting ''**2002**''; and

(ii) in subsection (i), by striking ''1997'' and inserting ''2002''.

(b) SUPPORT RATES FOR PEANUTS.—Section 108B(a)(2) of the Agricultural Act of 1949 (7 U.S.C. 1445c–3(a)(2)) is amended—

(1) by striking ''(2) SUPPORT RATES.—The'' and inserting the following:

''(2) SUPPORT RATES.—

''(A) 1991–1995 CROPS.—The''; and

(2) by adding at the end the following:

''(B) 1996–2002 CROPS.—The national average quota support rate for each of the 1996 through 2002 crops of quota peanuts shall be $678 per ton.''.

(c) UNDERMARKETINGS.—

(1) IN GENERAL.—Section 358–1(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)) is amended—

(A) in paragraph (7), by adding at the end the following::

''(C) TRANSFER OF ADDITIONAL PEANUTS.—Additional peanuts on a farm from which the quota poundage was not harvested or marketed may be transferred to the quota loan pool for pricing purposes at the quota price on such basis as the Secretary shall be regulation provide, except that the poundage of the peanuts so transferred shall not exceed the difference in the total quantity of peanuts meeting quality requirements for domestic edible use, as determined by the Secretary, marketed from the farm and the total farm poundage quota.''; and

(B) by striking paragraphs (8) and (9).

(2) CONFORMING AMENDMENTS.—Section 358b(a) of the Act (7 U.S.C. 1358b(a)) is amended—

(A) in paragraph (1)(A), by striking ''undermarketings and''; and

(B) in paragraph (3), by striking ''(including any applicable undermarketings)''.

**SEC. 105. DAIRY PROGRAM.**

(a) PRICE SUPPORT.—Section 204 of the Agricultural Act of 1949 (7 U.S.C. 1446e) is amended—

(1) in the section heading, by striking ''**1996**'' and inserting ''**2002**'';

(2) in subsections (a), (b), (f), (g), and (k), by striking ''1996'' each place it appears and inserting ''2002''; and

(3) in subsection (h)(2)(C), by striking ''and 1997'' and inserting ''through 2002''.

(b) SUPPORT PRICE FOR BUTTER AND POWDERED MILK.—Section 204(c)(3) of the Act is amended—

(1) in subparagraph (A), by striking ''Subject to subparagraph (B), the'' and inserting ''The'';

(2) by striking subparagraph (B); and

(3) by redesignating subparagraph (C) as subparagraph (B).

(c) SUPPORT RATE.—Section 204(d) of the Act is amended—

(1) by striking paragraphs (1) through (3);

(2) by redesignating paragraphs (4) and (5) as paragraphs (1) and (2) respectively; and

(3) in paragraph (1) (as so redesignated), by striking ''$10.10'' and inserting ''$10.35''.

**SEC. 106. SUGAR PROGRAM.**

(a) IN GENERAL.—Section 206 of the Agricultural Act of 1949 (7 U.S.C. 1446g) is amended to read as follows:

**''SEC. 206. SUGAR SUPPORT FOR 1996 THROUGH 2002 CROPS.**

''(a) DEFINITIONS.—In this section:

''(1) AGREEMENT ON AGRICULTURE.—The term 'Agreement on Agriculture' means the Agreement on Agriculture resulting from the Uruguay Round of Multilateral Trade Negotiations.

''(2) MAJOR COUNTRY.—The term 'major country' includes—

''(A) a country that is allocated a share of the tariff rate quota for imported sugars and syrups by the United States Trade Representative pursuant to additional U.S. note 5 to chapter 17 of the Harmonized Tariff Schedule;

''(B) a country of the European Union; and

''(C) the People's Republic of China.

''(3) MARKET.—The term 'market' means to sell or otherwise dispose of in commerce in the United States (including, with respect to any integrated processor and refiner, the movement of raw cane sugar into the refining process) and delivery to a buyer.

''(4) TOTAL ESTIMATED DISAPPEARANCE.—The term 'total estimated disappearance' means the quantity of sugar, as estimated by the Secretary, that will be consumed in the United States during a fiscal year (other than sugar imported for the production of polyhydric alcohol or to be refined and reexported in refined form or in a sugar-containing product), plus the quantity of sugar that would provide for adequate carryover stocks.

''(b) PRICE SUPPORT.—The price of each of the 1996 through 2002 crops of sugar beets and sugarcane shall be supported in accordance with this section.

''(c) SUGARCANE.—Subject to subsection (e), the Secretary shall support the price of domestically grown sugarcane through loans at a support level of 18 cents per pound for raw cane sugar.

''(d) SUGAR BEETS.—Subject to subsection (e), the Secretary shall support the price of each crop of domestically grown sugar beets through loans at the level provided for refined beet sugar produced from the 1995 crop of domestically grown sugar beets.

''(e) ADJUSTMENT IN SUPPORT LEVEL.—

''(1) DOWNWARD ADJUSTMENT IN SUPPORT LEVEL.—

''(A) IN GENERAL.—The Secretary shall decrease the support price of domestically grown sugarcane and sugar beets from the level determined for the preceding crop, as determined under this section, if the quantity of negotiated reductions in export and domestic subsidies of sugar that apply to the European Union and other major countries in the aggregate exceed the quantity of the reductions in the subsidies agreed to under the Agreement of Agriculture.

''(B) EXTENT OF REDUCTION.—The Secretary shall not reduce the level of price support under subparagraph (A) below a level that provides an equal measure of support to the level provided by the European Union or any other major country through domestic and export subsidies that are subject to reduction under the Agreement on Agriculture.

''(2) INCREASES IN SUPPORT LEVEL.—The Secretary may increase the support level for each crop of domestically grown sugarcane and sugar beets from the level determined for the preceding crop based on such factors as the Secretary determines appropriate, including changes (during the 2 crop years immediately preceding the crop year for which the determination is made) in the cost of sugar products, the cost of domestic sugar production, the amount of any applicable assessments, and other factors or circumstances that may adversely affect domestic sugar production.

''(f) LOAN TYPE; PROCESSOR ASSURANCES.—

''(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall carry out this section by making recourse loans to sugar producers.

''(2) MODIFICATION.—During any fiscal year in which the tariff rate quota for imports of sugar into the United States is established at, or is increased to, a level that exceeds the minimum level for the imports committed to by the United States under the Agreement on Agriculture, the Secretary shall carry out this section by making nonrecourse loans available to sugar producers. Any recourse loan previously made available by the Secretary and not repaid under this section during the fiscal year shall be converted into a nonrecourse loan.

''(3) PROCESSOR ASSURANCES.—To effectively support the prices of sugar beets and sugarcane received by a producer, the Secretary shall obtain from each processor that receives a loan under this section such assurances as the Secretary considers adequate that, if the Secretary is required under paragraph (2) to make nonrecourse loans available, or convert recourse loans into nonrecourse loans, each producer served by the processor will receive the appropriate minimum payment for sugar beets and sugarcane delivered by the producer, as determined by the Secretary.

''(g) ANNOUNCEMENTS.—The Secretary shall announce the type of loans available and the loan rates for beet and cane sugar for any fiscal year under this section as far in advance as is practicable.

''(h) LOAN TERM.—

''(1) IN GENERAL.—Except as provided in paragraph (2) and subsection (i), a loan under this section during any fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature at the end of 3 months.

''(2) EXTENSION.—The maturity of a loan under this section may be extended for up to 2 additional 3-month periods, at the option of the borrower, except that the maturity of a loan may not be extended under this paragraph beyond the end of the fiscal year.

''(i) SUPPLEMENTARY LOANS.—Subject to subsection (e), the Secretary shall make available to eligible processors price support loans with respect to sugar processed from sugar beets and sugarcane harvested in the last 3 months of a fiscal year. The loans shall mature at the end of the fiscal year. The processor may repledge the sugar as collateral for a price support loan in the subsequent fiscal year, except that the second loan shall—

''(1) be made at the loan rate in effect at the time the second loan is made; and

''(2) mature in not more than 9 months, less the quantity of time that the first loan was in effect.

''(j) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.

''(k) MARKETING ASSESSMENTS.—

''(1) IN GENERAL.—Assessments shall be collected in accordance with this subsection with respect to all sugar marketed within the United States during the 1996 through 2002 fiscal years.

''(2) BEET SUGAR.—The first seller of beet sugar produced from domestic sugar beets or domestic sugar beet molasses shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to 1.1894 percent of the loan level established under subsection (d) per pound of sugar marketed.

''(3) CANE SUGAR.—The first seller of raw cane sugar produced from domestic sugarcane or domestic sugarcane molasses shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to 1.11 percent of the loan level established under subsection (c) per pound of sugar marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing).

''(4) COLLECTION.—

''(A) TIMING.—Marketing assessments required under this subsection shall be collected and remitted to the Commodity Credit Corporation not later than 30 days after the date that the sugar is marketed.

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

''(5) PENALTIES.—If any person fails to remit an assessment required by this subsection or fails to comply with such requirements for recordkeeping or otherwise fails to comply with this subsection, the person shall be liable to the Secretary for a civil penalty of not more than an amount determined by multiplying—

''(A) the quantity of sugar involved in the violation; by

''(B) the loan level for the applicable crop of sugarcane or sugar beets from which the sugar is produced.

For the purposes of this paragraph, refined sugar shall be treated as produced from sugar beets.

''(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

''(l) INFORMATION REPORTING.—

''(1) DUTY OF PROCESSORS AND REFINERS TO REPORT.—A sugarcane processor, cane sugar refiner, and sugar beet processor shall furnish the Secretary, on a monthly basis, such information as the Secretary may require to administer sugar programs, including the quantity of purchases of sugarcane, sugar beets, and sugar, and production, importation, distribution, and stock levels of sugar.

''(2) DUTY OF PRODUCERS TO REPORT.—To efficiently and effectively carry out the program under this section, the Secretary may require a producer of sugarcane or sugar beets to report, in the manner prescribed by the Secretary, the producer's sugarcane or sugar beet yields and acres planted to sugarcane or sugar beets, respectively.

''(3) PENALTY.—Any person willfully failing or refusing to furnish the information, or furnishing willfully any false information,

required under this subsection shall be subject to a civil penalty of not more than $10,000 for each such violation.

''(4) MONTHLY REPORTS.—Taking into consideration the information received under paragraph (1), the Secretary shall publish on a monthly basis composite data on production, imports, distribution, and stock levels of sugar.

''(m) SUGAR ESTIMATES.—

''(1) DOMESTIC REQUIREMENT.—Before the beginning of each fiscal year, the Secretary shall estimate the domestic sugar requirement of the United States in an amount that is equal to the total estimated disappearance, minus the quantity of sugar that will be available from carry-in stocks.

''(2) QUARTERLY REESTIMATES.—The Secretary shall make quarterly reestimates of sugar consumption, stocks, production, and imports for a fiscal year not later than the beginning of each of the second through fourth quarters of the fiscal year.

''(n) CROPS.—This section shall be effective only for the 1996 through 2002 crops of sugar beets and sugarcane.''.

(b) MARKETING QUOTAS.—Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa et seq.) is repealed.

**SEC. 107. SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITY.**

(a) WHEAT.—

(1) NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS.—Sections 379d through 379j of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1379d–1379j) shall not be applicable to wheat processors or exporters during the period June 1, 1995, through May 31, 2003.

(2) SUSPENSION OF LAND USE, WHEAT MARKETING ALLOCATION, AND PRODUCER CERTIFICATE PROVISIONS.—Sections 331 through 339, 379b, and 379c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1331 through 1339, 1379b, and 1379c) shall not be applicable to the 1996 through 2002 crops of wheat.

(3) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—The joint resolution entitled ''A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended'', approved May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1996 through 2002.

(4) NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949.—Section 107 of the Agricultural Act of 1949 (7 U.S.C. 1445a) shall not be applicable to the 1996 through 2002 crops of wheat.

(b) FEED GRAINS.—

(1) NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949.—Section 105 of the Agricultural Act of 1949 (7 U.S.C. 1444b) shall not be applicable to the 1996 through 2002 crops of feed grains.

(2) RECOURSE LOAN PROGRAM FOR SILAGE.—Section 403 of the Food Security Act of 1985 (7 U.S.C. 1444e–1) is amended by striking ''1996'' and inserting ''2002''.

(c) OILSEEDS.—Section 201(a) of the Agricultural Act of 1949 (7 U.S.C. 1446(a)) is amended by striking ''oilseeds'' and all that follows through ''determine),''.

(d) UPLAND COTTON.—

(1) SUSPENSION OF BASE ACREAGE ALLOTMENTS, MARKETING QUOTAS, AND RELATED PROVISIONS.—Sections 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1342–1346 and 1377) shall not be applicable to any of the 1996 through 2002 crops of upland cotton.

(2) MISCELLANEOUS COTTON PROVISIONS.—Section 103(a) of the Agricultural Act of 1949 (7 U.S.C. 1444(a)) shall not be applicable to the 1996 through 2002 crops.

(e) PEANUTS.—

(1) SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1996 through 2002 crops of peanuts:

(A) Subsections (a) through (j) of section 358 (7 U.S.C. 1358).

(B) Subsections (a) through (h) of section 358a (7 U.S.C. 1358a).

(C) Subsections (a), (b), (d), and (e) of section 358d (7 U.S.C. 1359).

(D) Part I of subtitle C of title III (7 U.S.C. 1361 et seq.).

(E) Section 371 (7 U.S.C. 1371).

(2) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before ''all brokers and dealers in peanuts'' the following: ''all producers engaged in the production of peanuts,''.

(3) SUSPENSION OF CERTAIN PRICE SUPPORT PROVISIONS.—Section 101 of the Agricultural Act of 1949 (7 U.S.C. 1441) shall not be applicable to the 1996 through 2002 crops of peanuts.

**SEC. 108. EXTENSION OF RELATED PRICE SUPPORT PROVISIONS.**

(a) DEFICIENCY AND LAND DIVERSION PAYMENTS.—Section 114 of the Agricultural Act of 1949 (7 U.S.C. 1445j) is amended—

(1) in subsections (a)(1) and (c), by striking ''1997'' each place it appears and inserting ''2002''; and

(2) in subsection (b), by striking ''1995'' and inserting ''2002'';

(b) ADJUSTMENT OF ESTABLISHED PRICES.—Section 402(b) of the Agricultural Act of 1949 (7 U.S.C. 1422(b)) is amended by striking ''1995'' and inserting ''2002''.

(c) ADJUSTMENT OF SUPPORT PRICES.—Section 403(c) of the Agricultural Act of 1949 (7 U.S.C. 1423(c)) is amended by striking ''1995'' and inserting ''2002''.

(d) APPLICATION OF TERMS IN THE AGRICULTURAL ACT OF 1949.—Section 408(k)(3) of the Agricultural Act of 1949 (7 U.S.C. 1428(k)(3)) is amended by striking ''1995'' and inserting ''2002''.

(e) ACREAGE BASE AND YIELD SYSTEM.—Title V of the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) is amended—

(1) in subsections (c)(3) and (h)(2)(A) of section 503 (7 U.S.C. 1463), by striking ''1997'' each place it appears and inserting ''2002'';

(2) in paragraphs (1) and (2) of section 505(b) (7 U.S.C. 1465(b)), by striking ''1997'' each place it appears and inserting ''2002''; and

(3) in section 509 (7 U.S.C. 1469), by striking ''1997'' and inserting ''2002''.

(f) PAYMENT LIMITATIONS.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking ''1997'' each place it appears and inserting ''2002''.

(g) NORMALLY PLANTED ACREAGE.—Section 1001 of the Food and Agriculture Act of 1977 (7 U.S.C. 1309) is amended by striking ''1995'' each place it appears in subsections (a), (b)(1), and (c) and inserting ''2002''.

(h) OPTIONS PILOT PROGRAM.—The Options Pilot Program Act of 1990 (subtitle E of title XI of Public Law 101–624; 104 Stat. 3518; 7 U.S.C. 1421 note) is amended—

(1) in subsections (a) and (b) of section 1153, by striking ''1995'' each place it appears and inserting ''2002''; and

(2) in section 1154(b)(1)(A), by striking ''1995'' each place it appears and inserting ''2002''.

(i) FOOD SECURITY WHEAT RESERVE.—Section 302(i) of the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f–1(i)) is amended by striking ''1995'' each place it appears and inserting ''2002''.

**SEC. 109. CROP INSURANCE ADMINISTRATIVE FEE.**

Section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended—

(1) by striking paragraph (5); and

(2) by redesignating paragraphs (6) through (10) as paragraphs (5) through (9), respectively.

**SEC. 110. EFFECTIVE DATE.**

(a) IN GENERAL.—Except as otherwise specifically provided in this title, this title and the amendments made by this title shall apply beginning with the 1996 crop of an agricultural commodity.

(b) PRIOR CROPS.—Except as otherwise specifically provided and notwithstanding any other provision of law, this title and the amendments made by this title shall not affect the authority of the Secretary of Agriculture to carry out a price support, production adjustment, or payment program for—

(1) any of the 1991 through 1995 crops of an agricultural commodity established under a provision of law as in effect immediately before the enactment of this Act; or

(2) the 1996 crop of an agricultural commodity established under section 406(b) of the Agricultural Act of 1949 (7 U.S.C. 1426(b)).

## TITLE II—CONSERVATION

**SEC. 201. CONSERVATION RESERVE PROGRAM.**

Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended by striking ''1995'' each place it appears in subsections (a) and (d) and inserting ''2002''.

**SEC. 202. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.**

Chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.) is amended to read as follows:

### ''CHAPTER 2—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

**''SEC. 1238. DEFINITIONS.**

''In this chapter:

''(1) LAND MANAGEMENT PRACTICE.—The term 'land management practice' means nutrient or manure management, integrated pest management, irrigation management, tillage or residue management, grazing management, or another land management practice the Secretary determines is needed to protect soil, water, or related resources in the most cost efficient manner.

''(2) LARGE CONFINED LIVESTOCK OPERATION.—The term 'large confined livestock operation' means a farm or ranch that—

''(A) is a confined animal feeding operation; and

''(B) has more than—

''(i) 700 mature dairy cattle;

''(ii) 1,000 beef cattle;

''(iii) 100,000 laying hens or broilers;

''(iv) 55,000 turkeys;

''(v) 2,500 swine; or

''(vi) 10,000 sheep or lambs.

''(3) LIVESTOCK.—The term 'livestock' means mature dairy cows, beef cattle, laying hens, broilers, turkeys, swine, sheep, or lambs.

''(4) OPERATOR.—The term 'operator' means a person who is engaged in crop or livestock production (as defined by the Secretary).

''(5) STRUCTURAL PRACTICE.—The term 'structural practice' means the establishment of an animal waste management facility, terrace, grassed waterway, contour grass strip, filterstrip, permanent wildlife habitat, or another structural practice that the Secretary determines is needed to protect soil, water, or related resources in the most cost effective manner.

**''SEC. 1238A. ESTABLISHMENT AND ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.**

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—During the 1996 through 2006 fiscal years, the Secretary shall enter into contracts with operators to provide technical assistance, cost-sharing payments, and incentive payments to operators, who

enter into contracts with the Secretary, through an environmental quality incentives program in accordance with this chapter.

''(2) CONSOLIDATION OF EXISTING PROGRAMS.—In establishing the environmental quality incentives program authorized under this chapter, the Secretary shall combine into a single program the functions of—

''(A) the agricultural conservation program authorized by sections 7 and 8 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g and 590h);

''(B) the Great Plains conservation program established under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p(b));

''(C) the water quality incentives program established under this chapter; and

''(D) the Colorado River Basin salinity control program established under section 202(c) of the Colorado River Basin Salinity Control Act (43 U.S.C. 1592(c)).

''(b) APPLICATION AND TERM.—

''(1) IN GENERAL.—A contract between an operator and the Secretary under this chapter may—

''(A) apply to 1 or more structural practices or 1 or more land management practices, or both; and

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

''(2) CONTRACT EFFECTIVE DATE.—A contract between an operator and the Secretary under this chapter shall become effective on October 1st following the date the contract is fully entered into.

''(c) COST-SHARING AND INCENTIVE PAYMENTS.—

''(1) COST-SHARING PAYMENTS.—

''(A) IN GENERAL.—The Federal share of cost-sharing payments to an operator proposing to implement 1 or more structural practices shall not be more than 75 percent of the projected cost of the practice, as determined by the Secretary, taking into consideration any payment received by the operator from a State or local government.

''(B) LIMITATION.—An operator of a large confined livestock operation shall not be eligible for cost-sharing payments to construct an animal waste management facility.

''(C) OTHER PAYMENTS.—An operator shall not be eligible for cost-sharing payments for structural practices on eligible land under this chapter if the operator receives cost-sharing payments or other benefits for the same land under chapter 1 or 3.

''(2) INCENTIVE PAYMENTS.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage an operator to perform 1 or more land management practices.

''(d) TECHNICAL ASSISTANCE.—

''(1) FUNDING.—The Secretary shall allocate funding under this chapter for the provision of technical assistance according to the purpose and projected cost for which the technical assistance is provided in a fiscal year. The allocated amount may vary according to the type of expertise required quantity of time involved, and other factors as determined appropriate by the Secretary. Funding shall not exceed the projected cost to the Secretary of the technical assistance provided in a fiscal year.

''(2) OTHER AUTHORITIES.—The receipt of technical assistance under this chapter shall not affect the eligibility of the operator to receive technical assistance under other authorities of law available to the Secretary.

''(e) FUNDING.—The Secretary shall use to carry out this chapter not less than—

''(1) $200,000,000 for fiscal year 1997; and

''(2) $250,000,000 for each of fiscal years 1998 through 2002.

''(f) COMMODITY CREDIT CORPORATION.—The Secretary may use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this subchapter.

**''SEC. 1238B. CONSERVATION PRIORITY AREAS.**

''(a) IN GENERAL.—The Secretary shall designate watersheds or regions of special environmental sensitivity, including the Chesapeake Bay region (located in Pennsylvania, Maryland, and Virginia), the Great Lakes region, the Long Island Sound region, prairie pothole region (located in North Dakota, South Dakota, and Minnesota), Rainwater Basin (located in Nebraska), and other areas the Secretary considers appropriate, as conservation priority areas that are eligible for enhanced assistance through the programs established under this chapter and chapter 1.

''(b) APPLICABILITY.—A designation shall be made under this section if an application is made by a State agency and agricultural practices within the watershed or region pose a significant threat to soil, water, and related natural resources, as determined by the Secretary.

**''SEC. 1238C. EVALUATION OF OFFERS AND PAYMENTS.**

''(a) REGIONAL PRIORITIES.—The Secretary shall provide technical assistance, cost-sharing payments, and incentive payments to operators in a region, watershed, or conservation priority area under this chapter based on the significance of soil, water, and related natural resources problems in the region, watershed, or area, and the structural practices or land management practices that best address the problems, as determined by the Secretary.

''(b) MAXIMIZATION OF ENVIRONMENTAL BENEFITS.—

''(1) IN GENERAL.—In providing technical assistance, cost-sharing payments, and incentive payments to operators in regions, watersheds, or conservation priority areas under this chapter, the Secretary shall accord a higher priority to assistance and payments that maximize environmental benefits per dollar expended.

''(2) STATE OR LOCAL CONTRIBUTIONS.—The Secretary shall accord a higher priority to operators whose agricultural operations are located within watersheds, regions, or conservation priority areas in which State or local governments have provided, or will provide, financial or technical assistance to the operators for the same conservation or environmental purposes.

**''SEC. 1238D. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.**

''(a) IN GENERAL.—Prior to approving cost-share or incentive payments authorized under this chapter, the Secretary shall require the preparation and evaluation of an environmental quality incentives program plan described in subsection (b), unless the Secretary determines that such a plan is not necessary to evaluate the application for the payments.

''(b) TERMS.—An environmental quality incentives program plan shall include (as determined by the Secretary) a description of relevant—

''(1) farming or ranching practices on the farm;

''(2) characteristics of natural resources on the farm;

''(3) specific conservation and environmental objectives to be achieved including those that will assist the operator in complying with Federal and State environmental laws;

''(4) dates for, and sequences of, events for implementing the practices for which payments will be received under this chapter; and

''(5) information that will enable evaluation of the effectiveness of the plan in achieving the conservation and environmental objectives, and that will enable evaluation of the degree to which the plan has been implemented.

**''SEC. 1238E. LIMITATION ON PAYMENTS.**

''(a) PAYMENTS.—The total amount of cost-share and incentive payments paid to a person under this chapter may not exceed—

''(1) $10,000 for any fiscal year; or

''(2) $50,000 for any multiyear contract.

''(b) REGULATIONS.—The Secretary shall issue regulations that are consistent with section 1001 for the purpose of—

''(1) defining the term 'person' as used in subsection (a); and

''(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitations contained in subsection (a).''.

## TITLE III—NUTRITION ASSISTANCE

**SEC. 301. FOOD STAMP PROGRAM.**

(a) EMPLOYMENT AND TRAINING.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended by striking ''1995'' each place it appears and inserting ''2002''.

(b) AUTHORIZATION OF PILOT PROJECTS.—The last sentence of section 17(b)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(A)) is amended by striking ''1995'' and inserting ''2002''.

(c) AUTHORIZATION FOR APPROPRIATIONS.—The first sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking ''1995'' and inserting ''2002''.

(d) REAUTHORIZATION OF PUERTO RICO NUTRITION ASSISTANCE PROGRAM.—The first sentence of section 19(a)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended by striking ''$974,000,000'' and all that follows through ''fiscal year 1995'' and inserting ''$1,143,000,000 for each of fiscal years 1995 and 1996, $1,182,000,000 for fiscal year 1997, $1,223,000,000 for fiscal year 1998, $1,266,000,000 for fiscal year 1999, $1,310,000,000 for fiscal year 2000, $1,357,000,000 for fiscal year 2001, and $1,404,000,000 for fiscal year 2002''.

**SEC. 302. COMMODITY DISTRIBUTION PROGRAM; COMMODITY SUPPLEMENTAL FOOD PROGRAM.**

(a) REAUTHORIZATION.—The first sentence of section 4(a) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note) is amended by striking ''1995'' and inserting ''2002''.

(b) FUNDING.—Section 5 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note) is amended—

(1) in subsection (a)(2), by striking ''1995'' and inserting ''2002''; and

(2) in subsection (d)(2), by striking ''1995'' and inserting ''2002''.

**SEC. 303. EMERGENCY FOOD ASSISTANCE PROGRAM.**

(a) REAUTHORIZATION.—The first sentence of section 204(a)(1) of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended by striking ''1995'' and inserting ''2002''.

(b) PROGRAM TERMINATION.—Section 212 of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended by striking ''1995'' and inserting ''2002''.

(c) REQUIRED PURCHASES OF COMMODITIES.—Section 214 of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking ''1995'' and inserting ''2002''; and

(2) in subsection (e), by striking ''1995'' each place it appears and inserting ''2002''.

**SEC. 304. SOUP KITCHENS PROGRAM.**

Section 110 of the Hunger Prevention Act of 1988 (Public Law 100–435; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking ''1995'' and inserting ''2002''; and

(2) in subsection (c)(2)—

(A) in the paragraph heading, by striking ''1995'' and inserting ''2002''; and

(B) by striking ''1995'' each place it appears and inserting ''2002''.

**SEC. 305. NATIONAL COMMODITY PROCESSING.**

The first sentence of section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended by striking ''1995'' and inserting ''2002''.

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LEAHY AMENDMENT NO. 3375

(Ordered to lie on the table.)

Mr. LEAHY submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Title V is amended by adding at the end the following:

**''SEC 507 FUND FOR RURAL AMERICA.**

''(a) IN GENERAL.—The Secretary shall create an account called the Fund for Rural America for the purposes of providing funds for activities described in subsection (c).

''(b) COMMODITY CREDIT CORPORATION.—In each of the 1996 through 1998 fiscal years, the Secretary shall transfer into the Fund for Rural America (hereafter referred to as the ''Account'')—

''(1) $50,000,000 for the 1996 fiscal year;

''(2) $100,000,000 for the 1997 fiscal year; and

''(3) $150,000,000 for the 1998 fiscal year.

''(c) PURPOSES.—Except as provided in subsection (d), the Secretary shall provide not more than one-third of the funds from the Account for activities described in paragraph (2).

''(1) RURAL DEVELOPMENT ACTIVITIES.—The Secretary may use the funds in the Account for the following rural development activities authorized in:

''(A) The Housing Act of 1949 for—

''(i) direct loans to low income borrowers pursuant to section 502;

''(ii) loans for financial assistance for housing for domestic farm laborers pursuant to section 514;

''(iii) financial assistance for housing of domestic farm labor pursuant to section 516;

''(iv) grants and contracts for mutual and self help housing pursuant to section 523(b)(1)(A); and

''(v) grants for Rural housing preservation pursuant to section 533;

''(B) The Food Security Act of 1985 for loans to intermediary borrowers, under the Rural Development Loan Fund;

''(C) Consolidated Farm and Rural Development Act for—

''(i) grants for Rural Business Enterprises pursuant to section 310B (c) and (j);

''(ii) direct loans, loan guarantees and grants for water and waste water projects pursuant to section 306; and

''(iii) down payments assistance to farmers, section 310E;

''(D) grants for outreach to socially disadvantaged farmers and ranchers pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279); and

''(E) grants pursuant to section 204(6) of the Agricultural Marketing Act of 1946.

''(2) RESEARCH.—

''(A) IN GENERAL.—The Secretary may use the funds in the Account for research grants to increase the competitiveness and farm profitability, protect and enhance natural resources, increase economic opportunities in farming and rural communities and expand locally owned value added processing and marketing operations.

''(B) ELIGIBLE GRANTEE.—The Secretary may make a grant under this paragraph to—

''(i) a college or university;

''(ii) a State agricultural experiment station;

''(iii) a State Cooperative Extension Service;

''(iv) a research institution or organization;

''(v) a private organization or person; or

''(iv) A Federal agency.

''(C) USE OF GRANT.—

''(i) IN GENERAL.—A grant made under this paragraph may be used by a grantee for 1 or more of the following uses:

''(I) research, ranging from discover to principles of application;

''(II) extension and related private-sector activities; and

''(III) education.

''(ii) LIMITATION.—No grant shall be made for any project, determined by the Secretary, to be eligible for funding under research and commodity promotion programs administered by the Department.

''(D) ADMINISTRATION.—

''(i) PRIORITY.—In administering this paragraph, the Secretary shall—

''(I) establish priorities for allocating grants, based on needs and opportunities of the food and agriculture system in the United States related to the goals of the paragraph.

''(II) seek and accept proposals for grants;

''(III) determine the relevance and merit of proposals through a system of peer and stakeholder review; and

''(IV) award grants on the basis of merit, quality, and relevance to advancing the national research and extension purposes.

''(ii) COMPETITIVE AWARDING.—A grant under this paragraph shall be awarded on a competitive basis.

''(iii) TERMS.—A grant under this paragraph shall have a term that does not exceed 5 years.

''(iv) MATCHING FUNDS.—As a condition of receipts under this paragraph, the Secretary shall require the funding of the grant with equal matching funds from a non-Federal source if the grant is—

''(I) for applied research that is commodity-specific; and

''(II) not of national scope.

''(v) ADMINISTRATIVE COSTS.—

''(I) IN GENERAL.—The Secretary may use not more than 4 percent of the funds made available under this paragraph for administrative costs incurred by the Secretary in carrying out this paragraph.

''(II) LIMITATION.—Funds made available under this paragraph shall not be used—

''(aa) for the construction of a new building or the acquisition, expansion, remodeling, or alteration of an existing building (including site grading and improvement and architect fees); or

''(bb) in excess of ten percent of the annual allocation for commodity-specific projects not of the national scope.

''(d) LIMITATIONS.—No funds from the Fund for Rural America may be used for an activity specified in subsection (c) if the current level of appropriations for the activity is less than 90 percent of the 1996 fiscal year appropriations for the activity adjusted for inflation.''

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FEINGOLD AMENDMENT NO. 3376

(ordered to lie on the table.)

Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

At the appropriate place insert the following:

**SEC. . MILK MANUFACTURING MARKETING ADJUSTMENT.**

Subsections (a) and (b) of section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) are amended to read as follows:

''(a) DEFINITIONS.—In this section:

''(1) FEDERAL MAKE ALLOWANCE.—The term 'Federal make allowance' means the allowance for the processing of milk that is permitted under a Federal program to establish a Grade A price for manufacturing butter, nonfat dry milk, or cheese.

''(2) PERSON.—The term 'person' includes a cooperative.

''(3) STATE MAKE ALLOWANCE.—The term 'State make allowance' means the allowance for the processing of milk that is permitted by a State for manufacturing butter, nonfat dry milk, or cheese.

''(b) MILK MANUFACTURING MARKETING ADJUSTMENT.—Notwithstanding any other provision of law, if a person collects a State make allowance that is higher than the Federal make allowance and the milk or product of milk that is subject to the allowance is purchased by the Commodity Credit Corporation, regardless of the point of sale, the Corporation shall reduce the support purchase price for the milk and each product of the milk by an amount that is equal to the difference between the State make allowance and the Federal make allowance for the milk and product, as determined by the Secretary of Agriculture.''

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BUMPERS (AND PRYOR) AMENDMENT NO. 3377

(Ordered to lie on the table.)

Mr. BUMPERS (for himself and Mr. PRYOR) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place in the bill, add the following: ''Any funds deemed as mandatory spending for programs authorized by this Act that previously were, or substantially were, deemed discretionary shall not become available for obligation as mandatory spending in any fiscal year in which the discretionary allocation to the relevant appropriations subcommittees of the House of Representatives and the Senate are at levels lower than those of the previous fiscal year.''

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HATFIELD AMENDMENT NO. 3378

(Ordered to lie on the table.)

Mr. HATFIELD submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following:

**SEC. . ELIGIBILITY FOR GRANTS TO BROADCASTING SYSTEMS.**

Section 310B(j) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(j)) is amended by striking ''SYSTEMS.—The'' and inserting the following: ''SYSTEMS.—

''(1) DEFINITION OF STATEWIDE.—In this subsection, the term 'statewide' means having a coverage area of not less than 90 percent of the population of a State and 80 percent of the rural land area of the State (as determined by the Secretary).

''(2) GRANTS.—The''.

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HARKIN AMENDMENT NO. 3379

(Ordered to lie on the table.)

Mr. HARKIN submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

Section 105(b)(3) is amended by striking (A) and inserting the following:

''(A) by striking subsection (a) and inserting the following:

''(a) DIRECT ATTRIBUTION.—The Secretary shall attribute payments specified in section 1001 to persons who receive the payments directly and attribute payments received by entities to the individuals who own such entities in proportion to their ownership interest in the entity.''

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## HEFLIN AMENDMENT NO. 3380

(Ordered to lie on the table.)

Mr. HEFLIN submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike the section relating to the peanut program and insert the following:

**SEC. 106. PEANUT PROGRAM.**

(a) QUOTA PEANUTS.—

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

(2) LOAN RATE.—The national average quota loan rate for quota peanuts shall be $678 per ton.

(3) INSPECTION, HANDLING, OR STORAGE.—The loan amount may not be reduced by the Secretary by any deductions for inspection, handling, or storage.

(4) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments in the loan rate for quota peanuts for location of peanuts and such other factors as are authorized by section 411 of the Agricultural Adjustment Act of 1938.

(b) ADDITIONAL PEANUTS.—

(1) IN GENERAL.—

(A) RATES.—Subject to subparagraph (B), the Secretary shall make nonrecourse loans available to producers of additional peanuts at such rates as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets.

(B) LIMITATION.—The Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(2) ANNOUNCEMENT.—The Secretary shall announce the loan rate for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the loan rate is being determined.

(c) AREA MARKETING ASSOCIATIONS.—

(1) WAREHOUSE STORAGE LOANS.—

(A) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

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

(C) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include such costs as the area marketing association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(2) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico.

(B) ELIGIBILITY TO PARTICIPATE.—

(i) IN GENERAL.—Except as provided in clause (ii), in the case of the 1996 and subsequent crops, Valencia peanuts not physically produced in the State of New Mexico shall not be eligible to participate in the pools of the State.

(ii) EXCEPTION.—A resident of the State of New Mexico may enter Valencia peanuts that are produced outside of the State into the pools of the State in a quantity that is not greater than the 1995 crop of the resident.

(C) TYPES OF PEANUTS.—Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(D) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(i) QUOTA PEANUTS.—For quota peanuts, the sum of—

(I) the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool; and

(II) an amount from all additional pool gains equal to any loss on the disposition of all peanuts in the pool for quota peanuts.

(ii) ADDITIONAL PEANUTS.—For additional peanuts, the difference between—

(I) the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts; and

(II) any amount allocated to offset any loss on the pool for quota peanuts.

(d) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(1) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)).

(2) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(3) ADDITIONAL PEANUT GAINS.—Further losses in an area quota pool shall be offset by gains or profits attributable to sales of additional peanuts in that area for domestic edible and other uses.

(4) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under subsection (g) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under subsection (g) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(5) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)), shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(6) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under subsection (g) by such an amount as the Secretary considers necessary to cover the losses. Amounts collected under subsection (g) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

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

(f) QUALITY IMPROVEMENT.—

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

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

(B) ensure that all Commodity Credit Corporation inventories of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(C) continue to endeavor to operate the peanut program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

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

(2) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts in the domestic and export markets fully comply with all quality standards under Marketing Agreement No. 146.

(g) MARKETING ASSESSMENT.—

(1) IN GENERAL.—The Secretary shall provide for a nonrefundable marketing assessment. The assessment shall be made on a per pound basis in an amount equal to 1.1 percent for each of the 1994 and 1995 crops, 1.15 percent for the 1996 crop, and 1.2 percent for each of the 1997 through 2002 crops, of the national average quota or additional peanut loan rate for the applicable crop.

(2) FIRST PURCHASERS.—

(A) IN GENERAL.—Except as provided under paragraphs (3) and (4), the first purchaser of peanuts shall—

(i) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by—

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

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

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

(ii) pay, in addition to the amount collected under clause (i), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average loan rate; and

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

(B) IMPORTED PEANUTS.—In the case of imported peanuts, the first purchaser shall pay to the Commodity Credit Corporation, in a manner specified by the Secretary, a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by 1.2 percent of the national average support rate for additional peanuts.

(C) DEFINITION OF FIRST PURCHASER.—In this subsection, the term ''first purchaser'' means a person acquiring peanuts from a producer except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

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

(4) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(5) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with the requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

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

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

(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

(h) CROPS.—Subsections (a) through (f) shall be effective only for the 1996 through 2002 crops of peanuts.

(i) MARKETING QUOTAS.—

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

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

(i) in the section heading, by striking ''**1991 THROUGH 1997 CROPS OF**'';

(ii) in subsections (a)(1), (b)(1)(B), (b)(2)(A), (b)(2)(C), and (b)(3)(A), by striking ''of the 1991 through 1997 marketing years'' each place it appears and inserting ''marketing year'';

(iii) in subsection (a)(3), by striking ''1990'' and inserting ''1990, for the 1991 through 1995 marketing years, and 1995, for the 1996 through 2002 marketing years'';

(iv) in subsection (b)(1)(A)—

(I) by striking ''each of the 1991 through 1997 marketing years'' and inserting ''each marketing year''; and

(II) in clause (i), by inserting before the semicolon the following: '', in the case of the 1991 through 1995 marketing years, and the 1995 marketing year, in the case of the 1996 through 2002 marketing years''; and

(v) in subsection (f), by striking ''1997'' and inserting ''2002'';

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking ''**1991 THROUGH 1995 CROPS OF**''; and

(ii) in subsection (c), by striking ''1995'' and inserting ''2002'';

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking ''1995'' and inserting ''2002''; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking ''**FOR 1991 THROUGH 1997 CROPS OF PEANUTS**''; and

(ii) in subsection (i), by striking ''1997'' and inserting ''2002''.

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

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

(A) in subsection (a)(1), by striking ''domestic edible, seed,'' and inserting ''domestic edible use'';

(B) in subsection (b)(2)—

(i) in subparagraph (A), by striking ''subparagraph (B) and subject to''; and

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

''(B) TEMPORARY QUOTA ALLOCATION.—

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

''(ii) QUANTITY.—The temporary quota allocation shall be equal to the pounds of seed peanuts planted on the farm, as may be adjusted under regulations prescribed by the Secretary.

''(iii) ADDITIONAL QUOTA.—The temporary allocation of quota pounds under this paragraph shall be in addition to the farm poundage quota otherwise established under this subsection and shall be credited, for the applicable marketing year only, in total to the producer of the peanuts on the farm in a manner prescribed by the Secretary.

''(iv) EFFECT OF OTHER REQUIREMENTS.—Nothing in this section alters or changes the requirements regarding the use of quota and additional peanuts established by section 358e(b).''; and

(C) in subsection (e)(3), strike ''and seed and use on a farm''.

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

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

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

(ii) in paragraph (3)(B), by striking ''include—'' and clauses (i) and (ii) and inserting ''include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).''; and

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

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

(i) in paragraph (1), by striking ''(including any applicable under marketings)'' both places it appears;

(ii) in paragraph (1)(A), by striking ''of undermarketings and'';

(iii) in paragraph (2), by striking ''(including any applicable under marketings)''; and

(iv) in paragraph (3), by striking ''(including any applicable undermarketings)''.

(5) DISASTER TRANSFERS.—Section 358–1(b) of the Act (7 U.S.C. 1358–1(b)), as amended by paragraph (4)(A)(iii), is further amended by adding at the end the following:

''(8) DISASTER TRANSFERS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts produced on a farm from which the quota poundage was not harvested and marketed because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation provide.

''(B) LIMITATION.—The poundage of peanuts transferred under subparagraph (A) shall not exceed the difference between—

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

''(ii) the total farm poundage quota, excluding quota pounds transferred to the farm in the fall.

''(C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at 70 percent of the quota support rate for the marketing years in which the transfers occur. The transfers for a farm shall not exceed 25 percent of the total farm quota pounds, excluding pounds transferred in the fall.''.

(6) TRANSFERS OF FARM POUNDAGE QUOTAS.—Section 358b(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b(a)) is amended by adding at the end the following:

''(4) TRANSFERS BETWEEN STATES HAVING QUOTAS OF LESS THAN 10,000 TONS.—Notwithstanding paragraphs (1) through (3), in the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota up to 1,000 tons may be transferred by sale or lease from a farm in 1 such State to a farm in another such State.''.

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## FEINGOLD AMENDMENT NO. 3381

(Ordered to lie on the table.)

Mr. HATFIELD submitted an amendment intended to be proposed by him to amendment No. 3247 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike section(e) and in lieu thereof insert the following:

**SEC. . MILK MANUFACTURING MARKETING ADJUSTMENT.**

Subsections (a) and (b) of section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e-1) are amended to read as follows:

''(a) DEFINITIONS.—In this section:

''(1) FEDERAL MAKE ALLOWANCE.—The term 'Federal make allowance' means the allowance for the processing of milk that is permitted under a Federal program to establish a Grade A price for manufacturing butter, nonfat dry milk, or cheese.

''(2) PERSON.—The term 'person' includes a cooperative.

''(3) STATE MAKE ALLOWANCE.—The term 'State make allowance' means the allowance for the processing of milk that is permitted by a State for manufacturing butter, nonfat dry milk, or cheese.

''(b) MILK MANUFACTURING MARKETING ADJUSTMENT.—Notwithstanding any other provision of law, if a person collects a State make allowance that is higher than the Federal make allowance and the milk or product

of milk that is subject to the allowance is purchased by the Commodity Credit Corporation, regardless of the point of sale, the Corporation shall reduce the support purchase price for the milk and each product of the milk by an amount that is equal to the difference between the State make allowance and the Federal make allowance for the milk and product, as determined by the Secretary of Agriculture.''.

## BUMPERS (AND PRYOR) AMENDMENT NO. 3382

(Ordered to lie on the table.)

Mr. BUMPERS (for himself and Mr. PRYOR) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. Leahy to the bill S. 1541, supra; as follows:

At the appropriate place in the bill, add the following: ''Any producer of a crop of rice in 1996 shall have the option of operating under the terms and conditions of either a program announced by the Secretary or any program administered under the authorities of legislation enacted subsequent to the announcement.

## D'AMATO AMENDMENTS NOS. 3383–3388

(Ordered to lie on the table.)

Mr. D'AMATO submitted six amendments intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3383

At the appropriate place, insert the following:

**SEC. 108. MILK PROGRAM.**

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the ''Secretary'') shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

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

(A) During calendar year 1996, $10.35.
(B) During calendar year 1997, $10.25.
(C) During calendar year 1998, $10.15.
(D) During calendar year 1999, $10.05.
(E) During calendar year 2000, $9.95.
(F) During calendar year 2001, $9.85.
(G) During calendar year 2002, $9.75.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

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

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

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

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

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

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

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

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

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

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

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

AMENDMENT NO. 3384

At the appropriate place, insert the following:

**SEC. 108. MILK PROGRAM.**

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the ''Secretary'') shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

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

(A) During calendar year 1996, $10.30.
(B) During calendar year 1997, $10.20.
(C) During calendar year 1998, $10.10.
(D) During calendar year 1999, $10.00.
(E) During calendar year 2000, $9.90.
(F) During calendar year 2001, $9.80.
(G) During calendar year 2002, $9.70.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

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

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

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

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

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

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

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

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

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

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

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

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AMENDMENT NO. 3385

At the appropriate place, insert the following:

**SEC. 108. MILK PROGRAM.**

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the ''Secretary'') shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

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

(A) During calendar year 1996, $10.25.

(B) During calendar year 1997, $10.15.

(C) During calendar year 1998, $10.05.

(D) During calendar year 1999, $9.95.

(E) During calendar year 2000, $9.85.

(F) During calendar year 2001, $9.75.

(G) During calendar year 2002, $9.65.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

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

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

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

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

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

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

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

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

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

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

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

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AMENDMENT NO. 3386

At the appropriate place, insert the following:

**SEC. 108. MILK PROGRAM.**

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the ''Secretary'') shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

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

(A) During calendar year 1996, $10.20.

(B) During calendar year 1997, $10.10.

(C) During calendar year 1998, $10.00.

(D) During calendar year 1999, $9.90.

(E) During calendar year 2000, $9.80.

(F) During calendar year 2001, $9.70.

(G) During calendar year 2002, $9.60.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

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

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

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

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

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

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

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

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

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

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

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

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AMENDMENT NO. 3387

At the appropriate place, insert the following:

**SEC. 108. MILK PROGRAM.**

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the

Secretary of Agriculture (referred to in this section as the ''Secretary'') shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

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

(A) During calendar year 1996, $10.15.
(B) During calendar year 1997, $10.05.
(C) During calendar year 1998, $9.95.
(D) During calendar year 1999, $9.85.
(E) During calendar year 2000, $9.75.
(F) During calendar year 2001, $9.65.
(G) During calendar year 2002, $9.55.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

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

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

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

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

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

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

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

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

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

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

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

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AMENDMENT NO. 3388

At the appropriate place, insert the following:

**SEC. 108. MILK PROGRAM.**

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the ''Secretary'') shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

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

(A) During calendar year 1996, $10.10.
(B) During calendar year 1997, $10.00.
(C) During calendar year 1998, $9.90.
(D) During calendar year 1999, $9.80.
(E) During calendar year 2000, $9.70.
(F) During calendar year 2001, $9.60.
(G) During calendar year 2002, $9.50.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment

of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

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

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

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

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

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

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

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

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

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

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

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

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## D'AMATO AMENDMENTS NOS. 3389–3394

(Ordered to lie on the table.)

Mr. D'AMATO submitted six amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3389

On page 1–73, strike lines 12 through 14 and insert the following:

**SEC. 108. MILK PROGRAM.**

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the ''Secretary'') shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

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

(A) During calendar year 1996, $10.35.

(B) During calendar year 1997, $10.25.

(C) During calendar year 1998, $10.15.

(D) During calendar year 1999, $10.05.

(E) During calendar year 2000, $9.95.

(F) During calendar year 2001, $9.85.

(G) During calendar year 2002, $9.75.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

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

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

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

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

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

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

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

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

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

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

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

AMENDMENT NO. 3390

On page 1–73, strike lines 12 through 14 and insert the following:

**SEC. 108. MILK PROGRAM.**

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the ''Secretary'') shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

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

(A) During calendar year 1996, $10.30.
(B) During calendar year 1997, $10.20.
(C) During calendar year 1998, $10.10.
(D) During calendar year 1999, $10.00.
(E) During calendar year 2000, $9.90.
(F) During calendar year 2001, $9.80.
(G) During calendar year 2002, $9.70.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

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

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

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

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

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

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

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

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

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

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

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

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AMENDMENT NO. 3391

On page 1–73, strike lines 12 through 14 and insert the following:

**SEC. 108. MILK PROGRAM.**

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the ''Secretary'') shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

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

(A) During calendar year 1996, $10.25.
(B) During calendar year 1997, $10.15.
(C) During calendar year 1998, $10.05.
(D) During calendar year 1999, $9.95.
(E) During calendar year 2000, $9.85.
(F) During calendar year 2001, $9.75.
(G) During calendar year 2002, $9.65.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary

shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

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

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

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

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

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

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

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

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

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

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

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

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AMENDMENT NO. 3392

On page 1–73, strike lines 12 through 14 and insert the following:

**SEC. 108. MILK PROGRAM.**

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the ''Secretary'') shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

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

(A) During calendar year 1996, $10.20.
(B) During calendar year 1997, $10.10
(C) During calendar year 1998, $10.00.
(D) During calendar year 1999, $9.90.
(E) During calendar year 2000, $9.80.
(F) During calendar year 2001, $9.70.
(G) During calendar year 2002, $9.60.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

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

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

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

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

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

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of

the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

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

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

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

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

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

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AMENDMENT NO. 3393

On page 1–73, strike lines 12 through 14 and insert the following:

**SEC. 108. MILK PROGRAM.**

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the ''Secretary'') shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

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

(A) During calendar year 1996, $10.15.

(B) During calendar year 1997, $10.05.

(C) During calendar year 1998, $9.95.

(D) During calendar year 1999, $9.85.

(E) During calendar year 2000, $9.75.

(F) During calendar year 2001, $9.65.

(G) During calendar year 2002, $9.55.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

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

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

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

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

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

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

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

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

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

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

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

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AMENDMENT NO. 3394

On page 1–73, strike lines 12 through 14 and insert the following:

**SEC. 108. MILK PROGRAM.**

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the ''Secretary'') shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

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

(A) During calendar year 1996, $10.10.

(B) During calendar year 1997, $10.00.

(C) During calendar year 1998, $9.90.

(D) During calendar year 1999, $9.80.

(E) During calendar year 2000, $9.70.

(F) During calendar year 2001, $9.60.

(G) During calendar year 2002, $9.50.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

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

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

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

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

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

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

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

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

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

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

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

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## LUGAR AMENDMENTS NOS. 3395–3397

(Ordered to lie on the table.)

Mr. LUGAR submitted three amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3395

On page 5–1, strike lines 2 through 4 and insert the following:

**SEC. 501. MILK PROGRAMS.**

(a) FEDERAL MILK MARKETING ORDERS.—Section 101(b) of the Agriculture and Food Act of 1981 (Public Law 97-98; 7 U.S.C. 608c) is amended by striking ''1996'' and inserting ''2002''.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary of Agriculture (referred to in this section as the ''Secretary'') shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

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

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

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

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

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

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

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

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

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

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

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) FUND FOR DAIRY PRODUCERS TO PAY FOR NUTRIENT MANAGEMENT.—Section 8(c)(5) of the Agricultural Adjustment Act (7

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AMENDMENT NO. 3396

On page 1–77, line 10, after ''respectively'', insert the following: '', and by amendment section 307 (as so transferred and redesignated) to read as follows:

**''SEC. 307. MILK PROGRAM.**

''(a) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this section and ending December 31, 2002, the Secretary shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

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

''(1) During calendar year 1996, $10.10.

''(2) During calendar year 1997, $10.05.

''(3) During calendar year 1998, $9.95.

''(4) During calendar year 1999, $9.85.

''(5) During calendar year 2000, $9.75.

''(6) During calendar year 2001, $9.65.

''(7) During calendar year 2002, $9.55.

''(c) BID PRICES.—The support purchase prices under this section for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under subsection (b).

''(d) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

''(1) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

''(2) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more the twice in each calendar year.

''(e) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this section, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketing in calendar year 1995 or 1996 when compared to calendar year 1994 or 1995, respectively. A refund under this subsection shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

''(f) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

''(g) PERIOD OF EFFECTIVENESS.—This section shall be effective only during the period beginning on the date of the enactment of this section and ending on December 31, 2002.''.

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AMENDMENT NO. 3397

On page 6–19, strike lines 1 through 16 and insert the following:

**''SEC. 609. GRANTS FOR RESEARCH ON THE PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.**

Section 1419(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154(d)) is amended by striking ''1995'' and inserting ''2002''.

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## MOSELEY-BRAUN AMENDMENT NO. 3398

(Ordered to lie on the table.)

Ms. MOSELEY-BRAUN submitted an amendment intended to be proposed by them to the bill S. 1541, supra; as follows:

On page 1–26, strike lines 16 through 25 and insert the following:

(6) OILSEEDS.—

(A) Soybeans.—The loan rate for a marketing assistance loan for soybeans shall be—

(i) not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately proceeding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $4.92 or more than $5.26 per bushel.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rate for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be—

(i) not less than 85 percent of the simple average price received by producers of sunflower seed, individually, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of sunflower seed, individually, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $0.087 or more than $0.093 per pound.

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## NICKLES AMENDMENT NO. 3399

(Ordered to lie on the table.)

Mr. NICKLES submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 1–17, strike lines 14 through 17 and insert the following:

(ii) CONTRACT COMMODITIES.—Contract acreage planted to a contract commodity during the crop year may be hayed or grazed without limitation.

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## BROWN AMENDMENT NO. 3400

(Ordered to lie on the table.)

Mr. BROWN submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra, as follows:

On page 1–4S. strike line 3 and insert the following: 104(e) of the Act.

''(3) LIMITATION ON MAXIMUM INCOME.—

''(A) IN GENERAL.—None of the funds made available pursuant to this

Act may be used to make any payment described in paragraph (1) and (2) to—

''(i) an individual with an annual net taxable income of more than $250,000; or

''(ii) any other person with an annual net taxable income of more than $5,000,000.

''(B) CERTIFICATION.—The Secretary of Agriculture shall annually certify to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that no person receiving a payment referred to in subparagraph (A) had, in the previous tax year of the person, an annual net taxable income greater than the amount specified in subparagraph (A) with respect to the person.''.

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## BROWN AMENDMENT NO. 3401

(Ordered to lie on the table.)

Mr. BROWN submitted an amendment intended to be proposed by him to an amendment submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following:

**SEC. CLARIFICATION ON EFFECT OF RESOURCE PLANNING ON ALLOCATION OR USE OF WATER.**

(a) NATIONAL FOREST SYSTEM RESOURCE PLANNING.—Section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604) is amended by adding at the end the following new subsection:

''(n) LIMITATION ON AUTHORITY.—Nothing in this section shall be construed to supersede, abrogate or otherwise impair any right or authority of a State to allocate quantities of water (including boundary waters). Nothing in this section shall be implemented, enforced, or construed to allow any officer or agency of the United States to utilize directly or indirectly the authorities established under this section to impose any requirement not imposed by the State which would supersede, abrogate, or otherwise impair rights to the use of water resources allocated under State law, interstate water compact, or Supreme Court decree, or held by the United States for use by a State, its political subdivisions, or its citizens. No water rights arise in the United States or any other person under the provisions of this Act.''.

(b) LAND USE PLANNING UNDER BUREAU OF LAND MANAGEMENT AUTHORITIES.—Section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712) is amended by adding at the end the following new subsection:

''(g) LIMITATION ON AUTHORITY.—Nothing in this section shall be construed to supersede,

abrogate, or otherwise impair any right or authority of a State to allocate quantities of water (including boundary waters). Nothing in this section shall be implemented, enforced, or construed to allow any officer or agency of the United States to utilize directly or indirectly the authorities established under this section to impose any requirement not imposed by the State which would supersede, abrogate, or otherwise impair rights to the use of water resources allocated under State law, interstate water compact, or Supreme Court decree, or held by the United States for use by a State, its political subdivisions, or its citizens. No water rights arise in the United States or any other person under the provisions of this Act.''.

(c) AUTHORIZATION TO GRANT RIGHTS-OF-WAY.—Section 501 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1761) is amended—

(1) in subsection (c)(1)—

(A) by striking subparagraph (B);

(B) in subparagraph (D), by striking ''originally constructed'';

(C) in subparagraph (G), by striking ''1996'' and inserting ''1998''; and

(D) by redesignating subparagraphs (C) through (G) as subparagraphs (B) through (F), respectively;

(2) in subsection (c)(3)(A), by striking the second and third sentence; and

(3) by adding at the end the following new subsection:

''(e) EFFECT ON VALID EXISTING RIGHTS.—Notwithstanding any provision of this section, no Federal agency may require, as a condition of, or in connection with, the granting, issuance, or renewal of a right-of-way under this section, a restriction or limitation on the operation, use, repair, or replacement of an existing water supply facility which is located on or above National Forest lands or the exercise and use of existing water rights, if such condition would reduce the quantity of water which would otherwise be made available for use by the owner of such facility or water rights, or cause an increase in the cost of the water supply provided from such facility.''.

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## SANTORUM AMENDMENTS NOS. 3402–3404

(Ordered to lie on the table.)

Mr. SANTORUM submitted three amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3402

Beginning on page 1–73, strike line 12 and all that follows through page 1–78, line 4, and insert the following:

**SEC. 108. MILK PROGRAM.**

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of enactment of this Act and ending December 31, 2002, the Secretary shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

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

(A) During calendar year 1996, $10.10.

(B) During calendar year 1997, $10.00.

(C) During calendar year 1998, $9.90.

(D) During calendar year 1999, $9.80.

(E) During calendar year 2000, $9.70.

(F) During calendar year 2001, $9.60.

(G) During calendar year 2002, $9.50.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

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

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

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

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

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

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

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

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

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

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

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

**SEC. 109. ADMINISTRATION.**

(a) COMMODITY CREDIT CORPORATION.—

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

(2) SALARIES AND EXPENSES.—No funds of the Corporation shall be used for any salary or expense of any officer or employee of the Department of Agriculture.

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

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

**SEC. 110. ELIMINATION OF PERMANENT PRICE SUPPORT AUTHORITY.**

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

(1) in title III—

(A) in subtitle B—

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

(ii) in part VI—

(I) by moving subsection (c) of section 358d (7 U.S.C. 1358d(c)) to appear after section

301(b)(17) (7 U.S.C. 1301(b)(17)) and redesignating the subsection as paragraph (18); and

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

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

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

(b) AGRICULTURAL ACT OF 1949.—

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

(A) by transferring sections 106, 106A, and 106B (7 U.S.C. 1445, 1445–1, 1445–2) to appear after section 314A of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314–1) and redesignating the transferred sections as sections 315, 315A, and 315B, respectively;

(B) by transferring section 111 (7 U.S.C. 1445f) to appear after section 304 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1304) and redesignating the transferred section as section 305; and

(C) by transferring sections 404 and 416 (7 U.S.C. 1424 and 1431) to appear after section 390 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1390) and redesignating the transferred sections as sections 390A and 390B, respectively.

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

(c) CONFORMING AMENDMENT.—Section 361 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1361) is amended by striking ‘‘, corn, wheat, cotton, peanuts, and rice, established’’.

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AMENDMENT NO. 3402

Amend Section 106, Peanut Program, by striking paragraph (2) in subsection (A), Quota Peanuts, and inserting the following:

(2) SUPPORT RATES.—The national average quota support rate for each of the 1996 through 2002 crops of quota peanuts shall not be not more than $550 per ton.

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AMENDMENT NO. 3404

Amend Section 106, Peanut Program, by striking paragraph (2) in subsection (A), Quota Peanuts, and inserting the following:

(2) SUPPORT RATES.—The national average quota support rate for each of the 1996 through 1997 crops of quota peanuts shall not be more than $600 per ton. The national average quota support rate for each of the 1998 through 2002 crops shall be not more than $550 per ton.

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## SANTORUM AMENDMENT NO. 3405

(Ordered to lie on the table.)

Mr. SANTORUM submitted an amendment intended to be proposed by him to amendment No. 3225 submitted by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Amend Section 106, Peanut Program, by:

(a) Striking paragraph (2) in subsection (a), Quota Peanuts, and inserting the following:

(2) SUPPORT RATES.—

(A) MAXIMUM LEVELS.—The national average quota support rate for each of the 1996 through 2000 crops of quota peanuts shall not be more than $610 per ton for the 1996 crop, $542 per ton for the 1997 crop, $509 per ton for the 1998 crop, $485 per ton for the 1999 crop, and $475 for the 2000 crop.

(B) DISBURSEMENT.—The Secretary shall initially disburse only 90 percent of the price support loan level required under this paragraph to producers for the 1996 and 1997 crops, and 85 percent for the 1998 through 2000 crops and provide for the disbursement to producers at maturity of any balances due the producers on the loans that may remain to be settled at maturity. The remainder of the loans for each crop shall be applied to offset losses in pools under subsection (d), if the losses exist, and shall be paid to producers only after the losses are offset.

(C) NON-RECOURSE LOANS.—Notwithstanding any other provision of this Act, for the 2001 and 2002 crops of peanuts, the quota is eliminated and the Secretary shall offer to all peanut producers non-recourse loans at a level not to exceed 70 percent of the estimated market price anticipated for each crop.

(D) MARKET PRICE.—In estimating the market price for the 2001 and 2002 crops of peanuts, the Secretary shall consider the export prices of additional peanuts during the last 5 crop years for which price support was available for additional peanuts and prices for peanuts in overseas markets, but shall not base the non-recourse loan levels for 2001–2002 on quota or additional support rates established under this Act.

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## KEMPTHORNE AMENDMENT NO. 3406

(Ordered to lie on the table.)

Mr. KEMPTHORNE submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

In the January 31, 1996 draft, In Section 1238E. Environmental Quality Incentives Program Plan.

At page 3–25 after line 8 and before line 9 insert the following paragraph so that beginning at line 9 the bill reads:

(8) Notwithstanding any provision of law, the Secretary shall ensure that the process of writing, developing, and assisting in the implementation of plans required in the programs established under this title be open to individuals in agribusiness including but not limited to agricultural producers, representative from agricultural cooperatives, agricultural input retail dealers, and certified crop advisers. This open plan development process shall be included in but not limited to programs and plans established under this title and any other Department program using incentive, technical assistance, cost-share pilot project programs that require plans.

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## GRAHAM (AND MACK) AMENDMENT NO. 3407

(Ordered to lie on the table.)

Mr. GRAHAM (for himself and Mr. MACK) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 510, strike lines 17 through 24, and on page 511, strike lines 1 through the end, and insert in lieu thereof the following:

**SEC. 506. EVERGLADES AGRICULTURAL AREA.**

(a) IN GENERAL.—On July 1, 1996, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide $200,000,000 to the Secretary of the Interior to carry out this subsection.

(b) ENTITLEMENT.—The Secretary of the Interior—

(1) shall accept the funds made available under subsection (a);

(2) shall be entitled to receive the funds; and

(3) shall use the funds to conduct restoration activities in the Everglades ecosystem, which may include acquiring private acreage in the Everglades Agricultural Area including approximately 52,000 acres that is commonly known as the ‘‘Talisman Tract’’.

(c) Nothing in this subsection precludes the Secretary of the Interior from transferring funds to the U.S. Army Corps of Engineers or the State of Florida or the South Florida Water Management District to carry out subsection (b)(3).

(d) DEADLINE.—The Secretary of the Interior shall utilize these funds for restoration activities referred to in subsection (b)(3) not later than December 31, 1999.

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## DASCHLE AMENDMENT NO. 3408

(Ordered to lie on the table.)

Mr. DASCHLE submitted an amendment intended to be proposed by him to an amendment submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

(a) Section 312 is amended by adding at the end the following:

‘‘(c) WATER BANK ACRES.—Section 1231(b) is amended by adding at the end the following:

‘‘(6) land that was enrolled as of the date of enactment of the ‘Agricultural Reform and Improvement Act of 1996’ in the Water Bank Program established under the Water Bank Act (16 U.S.C. 1301 et seq.) at a rate not to exceed the rates in effect under the program.’’

(b) Section 313 is amended by—

(1) striking subsection (a);

(2) in subsection (b) by striking ‘‘not more than 975,000’’ and inserting ‘‘not less than 975,000’’;

(3) striking ‘‘(c) ELIGIBILITY.—’’ and all that follows through ‘‘under the program.’’;

(4) in subsection (e) by striking paragraph (2);

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## BAUCUS AMENDMENT NO. 3409

(Ordered to lie on the table.)

Mr. BAUCUS submitted an amendment intended to be proposed by him to an amendment submitted by Mr. CRAIG to the bill S. 1541, supra; as follows:

At the appropriate place in the bill insert the following:

Notwithstanding the provisions of the Federal Crop Insurance Act, the Secretary shall ensure that crop insurance is made available to producers so that protection at the 75 percent level of coverage shall be available at the rate for which coverage at the 65 percent level is available on the date prior to the date of enactment.

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## BAUCUS AMENDMENT NO. 3410

(Ordered to lie on the table.)

Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

After section 857, insert the following:

**SEC. 858. LABELING OF DOMESTIC AND IMPORTED LAMB AND MUTTON.**

Section 7 of the Federal Meat Inspection Act (21 U.S.C. 607) is amended by adding at the end the following:

‘‘(f) LAMB AND MUTTON.—

‘‘(1) STANDARDS.—The Secretary shall establish standards for the labeling of sheep carcasses, parts of carcasses, meat, and meat food products as ‘lamb’ or ‘mutton’.

‘‘(2) METHOD.—The standards under paragraph (1) shall be based on the use of the break or spool joint method to differentiate lamb from mutton by the degree of calcification of bone to reflect maturity.’’.

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## HARKIN AMENDMENT NO. 3411

(Ordered to lie on the table.)

Mr. BAUCUS (for Mr. HARKIN) submitted an amendment intended to be proposed by him to an amendment submitted by Mr. CRAIG to the bill S. 1541, supra; as follows:

Amend Section 110 by adding the following at the end:

(D) NONRECOURSE MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS

Notwithstanding the provisions of section 104, in the case of the 1996 and subsequent crops of wheat, feed grains, and oilseeds the Secretary shall provide marketing loans to producers of such crops.

(1) AVAILABILITY OF NONRECOURSE LOANS.—

(A) AVAILABILITY.—For each of the 1996 and subsequent crops, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for wheat, feed grains, and oilseeds produced on the farm. The loans shall be made under the terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (2) for the commodity.

(2) LOAN RATES.—

(A) WHEAT.—

(i) LOAN RATE.—The loan rate for wheat shall be—

(I) not less than 90 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately five preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) FEED GRAINS.—

(i) LOAN RATE.—The loan rate for a marketing assistance loan for corn shall be—

(I) not less than 90 percent of the simple average price received by producers of corn as determined by the Secretary, during the marketing years for the immediately five preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(II) OTHER FEED GRAINS.—The loan for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of commodity in relation to corn.

(C) OILSEEDS.—

(i) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be not less than 90 percent of the simply average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(ii) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rates for marketing assistance loans for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed shall be not less than 90 percent of the simple average price received by producers of sunflower seed, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of sunflower seed, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(3) TERM OF LOAN.—In the case of wheat and feed grains, a marketing assistance loan under subsection (a) shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made.

(4) REPAYMENT.—

(A) REPAYMENT RATES FOR WHEAT AND FEED GRAINS.—The Secretary shall permit a producer to repay a marketing assistance loan under subsection (a) for wheat, corn, grain sorghum, barley, and oats at a level that the Secretary determines will—

(i) minimize potential loan forfeitures;

(ii) minimize the accumulation of stocks of the commodities by the Federal Government;

(iii) minimize the costs incurred by the Federal Government in storing the commodities; and

(iv) allow the commodities produced in the United States to be marketed freely and competitively, both domestically and internationally.

(5) LOAN DEFICIENCY PAYMENTS.—

(A) AVAILABILITY.—The Secretary may make loan deficiency payments available to producers who, although ineligible to obtain a marketing assistance loan under subsection (a) with respect to a loan commodity, agree to forego obtaining the loan for the commodity in return for payments under this subsection.

(B) COMPUTATION.—A loan deficiency payment shall be computed by multiplying—

(i) the loan payment rate under paragraph (3) for the loan commodity; by

(ii) the quantity of the loan commodity that the producers on a farm are eligible to place under loan but for which the producers forego obtaining the loan in return for payments under this subsection.

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

(i) the loan rate established under subsection (2) for the loan commodity exceeds

(ii) the rate at which a loan for the commodity may be repaid under subsection (d).

(6) SOURCE OF LOANS.—

(A) IN GENERAL.—The Secretary shall provide the loans authorized by this section and the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) through the Commodity Credit Corporation and other means available to the Secretary.

(B) PROCESSORS.—Whenever any loan or surplus removal for any agricultural commodity is carried out through purchases from or loans or payments to processors, the Secretary shall, to the extent practicable, obtain from the processors such assurances as the Secretary considers adequate that the producers of the commodity have received or will receive the maximum benefit from the loan or surplus removal operation.

(7) ADJUSTMENTS OF LOANS.—

(A) IN GENERAL.—The Secretary may make appropriate adjustments in the loan levels for differences in grade, type, quality, location, and other factors.

(B) LOAN LEVEL.—The adjustments shall, to the maximum extent practicable, be made in such manner that the average loan level for the commodity will, on the basis of the anticipated incidence of the factors, be equal to the level of support determined as provided in this section or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.).

(8) PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.—

(A) IN GENERAL.—Except as provided in paragraph (2), no producer shall be personally liable for any deficiency arising from the sale of the collateral securing any nonrecourse loan made under this section or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) unless the loan was obtained through a fraudulent representation by the producer.

(B) LIMITATIONS.—Paragraph (1) shall not prevent the Commodity Credit Corporation or the Secretary from requiring the producer to assume liability for—

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

(ii) a failure to properly care for and preserve a commodity; or

(iii) a failure or refusal to deliver a commodity in accordance with a program established under this section or the Agricultural Adjustment Act of 1938.

(C) ACQUISITION OF COLLATERAL.—The Secretary may include in a contract for a nonrecourse loan made under this section or the Agricultural Adjustment Act of 1938 a provision that permits the Commodity Credit Corporation, on and after the maturity of the loan or any extension of the loan, to acquire title to the unredeemed collateral without obligation to pay for any market value that the collateral may have in excess of the loan indebtedness.

## GRAHAM (AND MACK) AMENDMENT NO. 3412

(Ordered to lie on the table.)

Mr. GRAHAM (for himself and Mr. MACK) submitted an amendment intended to be proposed by them to the bill S. 1541, supra; as follows:

At the end of the section relating to crop insurance, insert the following:

(c) DEFINITION OF NATURAL DISASTER.—Section 502 of the Federal Crop Insurance Act (7 U.S.C. 1502) is amended—

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

(2) by inserting after paragraph (6) the following:

''(7) NATURAL DISASTER.—The term 'natural disaster' includes extensive crop destruction caused by insects or disease.''.

(d) CROP INSURANCE FOR SPECIALTY CROPS.—Section 508(a)(6) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(6)) is amended by adding at the end the following:

''(D) ADDITION OF SPECIALTY CROPS.—Not later than 1 year after the date of enactment of this subparagraph, the Corporation shall issue regulations to expand crop insurance coverage under this title to include any species, animal or plant, that is reared or grown for sale using and or water culture.''.

(e) MARKETING WINDOWS.—Section 508(j) of the Federal Crop Insurance Act (7 U.S.C. 1508(j)) is amended by adding at the end the following:

''(4) MARKETING WINDOWS.—The corporation shall consider marketing windows in determining whether it is feasible to require planting during a crop year.''.

## HARKIN AMENDMENT NOS. 3413–3414

(Ordered to lie on the table).

Mr. HARKIN submitted two amendments intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3413

(1) Section 110(b) is amended by striking paragraph (2) and inserting the following:

''(2) REPEAL.—The Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) (as amended by paragraph (1)) is repealed except for section 110.''

AMEMDMENT NO. 3414

(1) Section 110(b) is amended by striking paragraph (2) and inserting the following:

''(2) REPEAL—

''(A) The Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) (as amended by paragraph (1)) is repealed except for section 110.

''(B) Notwithstanding the provisions of the Agricultural Trade Act of 1978 and section 203 the Commodity Credit Corporation shall make available to carry out the export enhancement program not more than the following:

''(i) $338,428,572 for fiscal year 1996;

''(ii) $338,428,572 for fiscal year 1997;

''(iii) $488,428,572 for fiscal year 1998;
''(iv) $538,428,572 for fiscal year 1999;
''(v) $567,428,572 for fiscal year 2000;
''(vi) $466,428,572 for fiscal year 2001; and
''(vii) $466,428,572 for fiscal year 2002.''

## DASCHLE AMENDMENT NO. 3415

(Ordered to lie on the table.)

Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill (S. 1541), supra; as follows:

Title I is amended by—

(1) striking ''2002'' each place it appears and inserting ''1998'';

(2) striking ''2003'' each place it appears and inserting ''1999'';

(3) in section 103 striking subsections (d) through (f) and inserting the following:

''(e) CONTRACT PAYMENTS.—

''(1) IN GENERAL.—The Secretary shall provide advanced and final payments to owners and operators in accordance with this subsection.

''(2) ADVANCED PAYMENTS.—

''(A) IN GENERAL.—An owner or operator shall receive an advanced payment by June 15 for the 1996 fiscal year and December 15 for the 1997 and 1998 fiscal years which represents the product of—

''(i) the applicable payment rate described in subparagraph (B);

''(ii) the farm program payment yield; and

''(iii) 85 percent of the contract acreage.

''(B) PAYMENT RATE.—The payment rate shall be—

''(i) for corn, $.16 per bushel;

''(ii) for grain sorghum, $.19 per bushel;

''(iii) for barley, $.12 per bushel;

''(iv) for oats, $.02 per bushel;

''(v) for wheat, $.27 per bushel;

''(vi) for rice, $1.14 per hundredweight; and

''(vii) for upland cotton, $.032 per pound.

''(3) FINAL PAYMENT.—

''(A) IN GENERAL.—The Secretary shall make a final payment which represents the county rate described in subparagraph (B) multiplied by lessor of—

''(i) 85 percent of the contract acreage; or

''(ii) contract acreage planted to the contract commodity.

''(B) COUNTY RATE.—The county rate is the difference between the target county revenue described in clause (i) and the current county revenue described in clause (ii).

''(i) TARGET COUNTY REVENUE.—The target county revenue shall equal to the product of—

''(I) the five year average county yield for the contract commodity, excluding the year in which the average yield was the highest and the lowest; and

''(II) the established price for the commodity for the 1995 crop.

''(ii) CURRENT COUNTY REVENUE.—The current county revenue shall equal the product of—

''(I) the average price for the contract commodity for the first five months of the marketing year; and

''(II) the county average yield for the contract commodity.

''(iii) LIMITATION.—The final payment shall be reduced by the advanced payment, but in no case shall the final payment be less than zero.''

(4) in section 104(b) by striking paragraphs (1)(A)(ii), (2)(A)(ii), (3)(B), and (4)(B).

## McCONNELL AMENDMENT NO. 3416

(Ordered to lie on the table.)

Mr. McCONNELL submitted an amendment intended to be proposed by him to the amendment No. 3184 proposed by Mr. LEAHY to the bill (S. 1541), supra; as follows:

At the appropriate place, insert the following:

**SEC. ___. COMMERCIAL TRANSPORTATION OF EQUINE FOR SLAUGHTER.**

(a) FINDINGS.—Congress finds that, to ensure that equine sold for slaughter are provided humane treatment and care, it is essential to regulate the transportation, care, handling, and treatment of equine by any person engaged in the commercial transportation of equine for slaughter.

(b) DEFINITIONS.—In this section:

(1) COMMERCE.—The term ''commerce'' means trade, traffic, transportation, or other commerce by a person—

(A) between any State, territory, or possession of the United States, or the District of Columbia, and any place outside thereof;

(B) between points within the same State, territory, or possession of the United States, or the District of Columbia, but through any place outside thereof; or

(C) within any territory or possession of the United States or the District of Columbia.

(2) DEPARTMENT.—The term ''Department'' means the United States Department of Agriculture.

(3) EQUINE.—The term ''equine'' means any member of the Equidae family.

(4) EQUINE FOR SLAUGHTER.—The term ''equine for slaughter'' means any equine that is transported, or intended to be transported, by vehicle to a slaughter facility or intermediate handler from a sale, auction, or intermediate handler by a person engaged in the business of transporting equines for slaughter.

(5) FOAL.—The term ''foal'' means a equine that is not more than 6 months of age.

(6) INTERMEDIATE HANDLER.—The term ''intermediate handler'' means any person regularly engaged in the business of receiving custody of equines for slaughter in connection with the transport of the equines to a slaughter facility, including a stockyard, feedlot, or assembly point.

(7) PERSON.—The term ''person'' means any individual, partnership, firm, company, corporation, or association that regularly transports equines for slaughter in commerce, except that the term shall not include an individual or other entity that does not transport equines for slaughter on a regular basis as part of a commercial enterprise.

(8) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(9) VEHICLE.—The term ''vehicle'' means any machine, truck, tractor, trailer, or semitrailer, or any combination thereof, propelled or drawn by mechanical power and used on a highway in the commercial transportation of equines for slaughter.

(10) STALLION.—The term ''stallion'' means any uncastrated male equine that is 1 year of age or older.

(c) STANDARDS FOR HUMANE COMMERCIAL TRANSPORTATION OF EQUINES FOR SLAUGHTER.—

(1) IN GENERAL.—Subject to the availability of appropriations, not later than 1 year after the date of enactment of this section, the Secretary shall issue, by regulation, standards for the humane commercial transportation by vehicle of equines for slaughter.

(2) PROHIBITION.—no person engaged in the regular business of transporting equines by vehicle for slaughter as part of a commercial enterprise shall transport in commerce, to a slaughter facility or intermediate handler, a equine for slaughter except in accordance with the standards and this section.

(3) MINIMUM REQUIREMENTS.—The standards shall include minimum requirements for the humane handling, care, treatment, and equipment necessary to ensure the safe and humane transportation of equines for slaughter. The standards shall require, at a minimum, that—

(A) no equine for slaughter shall be transported for more than 24 hours without being unloaded from the vehicle and allowed to rest for at least 8 consecutive hours and given access to adequate quantities of wholesome food and potable water;

(B) a vehicle shall provide adequate headroom for a equine for slaughter with a minimum of at least 6 feet, 6 inches of headroom from the roof and beams or other structural members overhead to floor underfoot, except that a vehicle transporting 6 equines or less shall provide a minimum of at least 6 feet of headroom from the roof and beams or other structural members overhead to floor underfoot if none of the equines are over 16 hands;

(C) the interior of a vehicle shall—

(i) be free of protrusions, sharp edges, and harmful objects;

(ii) have ramps and floors that are adequately covered with a nonskid nonmetallic surface; and

(iii) be maintained in a sanitary condition;

(D) a vehicle shall—

(i) provide adequate ventilation and shelter from extremes of weather and temperature for all equine;

(ii) be of appropriate size, height, and interior design for the number of equine being carried to prevent overcrowding; and

(iii) be equipped with doors and ramps of sufficient size and location to provide for safe loading and unloading, including unloading during emergencies;

(E)(i) equines shall be positioned in the vehicle by size; and

(ii) stallions shall be segregated from other equines;

(F)(i) all equines for slaughter must be fit to travel as determined by an accredited veterinarian, who shall prepare a certificate of inspection, prior to loading for transport, that—

(I) states that the equines were inspected and satisfied the requirements of subparagraph (B);

(II) includes a clear description of each equine; and

(III) is valid for 7 days;

(ii) no equine shall be transported to slaughter if the equine is found to be—

(I) suffering from a broken or dislocated limb;

(II) unable to bear weight on all 4 limbs;

(III) blind in both eyes; or

(IV) obviously suffering from severe illness, injury, lameness, or physical debilitation that would make the equine unable to withstand the stress of transportation;

(iii) no foal may be transported for slaughter;

(iv) no mare in foal that exhibits signs of impending parturition may be transported for slaughter; and

(v) no equine for slaughter shall be accepted by a slaughter facility unless the equine is—

(I) inspected on arrival by an employee of the slaughter facility or an employee of the Department; and

(II) accompanied by a certificate of inspection issued by an accredited veterinarian, not more than 7 days before the delivery, stating that the veterinarian inspected the equine on a specified date.

(d) RECORDS.—

(1) IN GENERAL.—A person engaged in the business of transporting equines for slaughter shall establish and maintain such records, make such reports, and provide such information as the Secretary may, by regulation, require for the purposes of carrying out, or determining compliance with, this section.

(2) MINIMUM REQUIREMENTS.—The records shall include, at a minimum—

(A) the veterinary certificate of inspection;

(B) the names and addresses of current owners and consignors, if applicable, of the equines at the time of sale or consignment to slaughter; and

(C) the bill of sale or other documentation of sale for each equine.

(3) AVAILABILITY.—The records shall—

(A) accompany the equine during transport to slaughter;

(B) be retained by any person engaged in the business of transporting equine for slaughter for a reasonable period of time, as determined by the secretary, except that the veterinary certificate of inspection shall be surrendered at the slaughter facility to an employee or designee of the department and kept by the department for a reasonable period of time, as determined by the secretary; and

(C) on request of an officer or employee of the department, be made available at all reasonable times for inspection and copying by the officer or employee.

(e) AGENTS.—

(1) IN GENERAL.—For purposes of this section, the act, omission, or failure of an individual acting for or employed by a person engaged in the business of transporting equines for slaughter, within the scope of the employment or office of the individual, shall be considered the act, omission, or failure of the person engaging in the commercial transportation of equines for slaughter as well as of the individual.

(2) ASSISTANCE.—if a equine suffers a substantial injury or illness while being transported for slaughter on a vehicle, the driver of the vehicle shall seek prompt assistance from a licensed veterinarian.

(f) COOPERATIVE AGREEMENTS.—The Secretary is authorized to cooperate with States, political subdivisions of States, State agencies (including State departments of agriculture and State law enforcement agencies), and foreign governments to carry out and enforce this section (including regulations issued under this section).

(g) INVESTIGATIONS AND INSPECTIONS.—

(1) IN GENERAL.—The Secretary is authorized to conduct such investigations or inspections as the Secretary considers necessary to enforce this section (including any regulation issued under this section).

(2) ACCESS.—for the purposes of conducting an investigation or inspection under paragraph (1), the secretary shall, at all reasonable times, have access to—

(A) the place of business of any person engaged in the business of transporting equines for slaughter;

(B) the facilities and vehicles used to transport the equines; and

(C) records required to be maintained under subsection (d).

(3) ASSISTANCE TO OR DESTRUCTION OF EQUINES.—The Secretary shall issue such regulations as the Secretary considers necessary to permit employees or agents of the Department to—

(A) provide assistance to any equine that is covered by this section (including any regulation issued under this section); or

(B) destroy, in a humane manner, any such equine found to be suffering.

(h) INTERFERENCE WITH ENFORCEMENT.—

(1) IN GENERAL.—Subject to paragraph (2), a person who forcibly assaults, resists, opposes, impedes, intimidates, or interferes with any person while engaged in or on account of the performance of an official duty of the person under this section shall be fined not more than $5,000 or imprisoned not more than 3 years, or both.

(2) WEAPONS.—If the person uses a deadly or dangerous weapon in connection with an action described in paragraph (1), the person shall be fined not more than $10,000 or imprisoned not more than 10 years, or both.

(i) JURISDICTION OF COURTS.—Except as provided in subsection (j)(1)(E), a district court of the United States in any appropriate judicial district under section 1391 of title 28, United States Code, shall have jurisdiction to specifically enforce this section, to prevent and restrain a violation of this section, and to otherwise enforce this section.

(j) CIVIL AND CRIMINAL PENALTIES.—

(1) CIVIL PENALTIES.—

(A) IN GENERAL.—A person who violates this section (including a regulation or standard issued under this section) shall be assessed a civil penalty by the Secretary of not more than $2,000 for each violation.

(B) SEPARATE OFFENSES.—Each equine transported in violation of this section shall constitute a separate offense. Each violation and each day during which a violation continues shall constitute a separate offense.

(C) HEARINGS.—No penalty shall be assessed under this paragraph unless the person who is alleged to have violated this section is given notice and opportunity for a hearing with respect to an alleged violation.

(D) FINAL ORDER.—An order of the Secretary assessing a penalty under this paragraph shall be final and conclusive unless the aggrieved person files an appeal from the order pursuant to subparagraph (E).

(E) APPEALS.—Not later than 30 days after entry of a final order of the Secretary issued pursuant to this paragraph, a person aggrieved by the order may seek review of the order in the appropriate United States Court of Appeals. The Court shall have exclusive jurisdiction to enjoin, set aside, suspend (in whole or in part), or to determine the validity of the order.

(F) NONPAYMENT OF PENALTY.—On a failure to pay the penalty assessed by a final order under this subsection, the Secretary shall request the Attorney General to institute a civil action in a district court of the United States or other United States court for any district in which the person is found, resides, or transacts business, to collect the penalty. The court shall have jurisdiction to hear and decide the action.

(2) CRIMINAL PENALTIES.—

(A) FIRST OFFENSE.—Subject to subparagraph (B), a person who knowingly violates this section (or a regulation or standard issued under this section) shall, on conviction of the violation, be subject to imprisonment for not more than 1 year or a fine of not more than $2,000, or both.

(B) SUBSEQUENT OFFENSES.—On conviction of a second or subsequent offense described in subparagraph (A), a person shall be subject to imprisonment for not more than 3 years or to a fine of not more than $5,000, or both.

(k) PAYMENTS FOR TEMPORARY OR MEDICAL ASSISTANCE FOR EQUINES DUE TO VIOLATIONS.—From sums received as penalties, fines, or forfeitures of property for any violation of this section (including a regulation issued under this section), the Secretary shall pay the reasonable and necessary costs incurred by any person in providing temporary care or medical assistance for any equine that needs the care or assistance due to a violation of this section.

(l) RELATIONSHIP TO STATE LAW.—Nothing in this section prevents a State from enacting and enforcing any law (including a regulation) that is not inconsistent with this section or that is more restrictive than this section.

(m) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated for each fiscal year such sums as are necessary to carry out this section.

(2) LIMITATION.—No provision of this section shall be effective, or be enforced against any person, during a fiscal year unless funds to carry out this section have been appropriated for the fiscal year.

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## McCONNELL AMENDMENT NO. 3417

(Ordered to lie on the table.)

Mr. MCCONNELL submitted an amendment intended to be proposed by him to the bill (S. 1541), supra; as follows:

At the appropriate place, insert the following:

**SEC. . TOBACCO ADMINISTRATIVE EXPENSES.**

Notwithstanding any other provision of law, tobacco marketing assessments required to be collected for budget deficit reduction purposes shall be used first to offset any administrative expenses that are incurred in carrying out the tobacco price support and production adjustment program to the extent that the costs are not otherwise subject to reimbursement under other assessments specific to tobacco.

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## McCONNELL AMENDMENT NO. 3418

(Ordered to lie on the table.)

Mr. MCCONNELL submitted an amendment intended to be proposed by him to the amendment No. 3184 proposed by Mr. LEAHY to the bill (S. 1541), supra; as follows:

At the appropriate place in the title relating to nutrition assistance, insert the following:

**SEC. . NUTRITIONAL SUPPLEMENTS.**

(a) FINDINGS.—Congress finds that—

(1) the dietary patterns of Americans do not result in nutrient intakes that fully meet Recommended Dietary Allowances (RDAs) of vitamins and minerals;

(2) children in low-income families and the elderly often fail to achieve adequate nutrient intakes from diet alone;

(3) pregnant women have particularly high nutrient needs, which they often fail to meet through dietary means alone;

(4)(A) many scientific studies have shown that nutritional supplements that contain folic acid (a B vitamin) can prevent as many as 60 to 80 percent of neural tube birth defects;

(B) the Public Health Service, in September 1992, recommended that all women of childbearing age in the United States who are capable of becoming pregnant should consume 0.4 mg of folic acid per day for the purpose of reducing their risk of having a pregnancy affected with spina bifida or other neural tube birth defects; and

(C) the Food and Drug Administration has also approved a health claim for folic acid to reduce the risk of neural tube birth defects;

(5) infants who fail to receive adequate intakes of iron may be somewhat impaired in their mental and behavioral development; and

(6) a massive volume of credible scientific evidence strongly suggests that increasing intake of specific nutrients over an extended period of time may be helpful in protecting against diseases or conditions such as osteoporosis, cataracts, cancer, and heart disease.

(b) AMENDMENT OF THE FOOD STAMP ACT OF 1977.—Section 3(g)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2012(g)(1)) is amended by striking ''or food product'' and inserting '', food product, or nutritional supplement of a vitamin, mineral, or a vitamin and a mineral''.

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## McCONNELL AMENDMENT NO. 3419

(Ordered to lie on the table.)

Mr. MCCONNELL submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place in the title relating to nutrition assistance, insert the following:

**SEC. . DISQUALIFICATION OF A STORE OR CONCERN.**

Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended—

(1) by striking the section heading;

(2) by striking ''SEC. 12. (a) Any'' and inserting the following:

**''SEC. 12. CIVIL MONEY PENALTIES AND DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.**

''(a) DISQUALIFICATION.—

''(1) IN GENERAL.—An'';

(3) by adding at the end of subsection (a) the following:

''(2) EMPLOYING CERTAIN PERSONS.—A retail food store or wholesale food concern shall be disqualified from participation in the food stamp program if the store or concern knowingly employs a person who has been found by the Secretary, or a Federal, State, or local court, to have, within the preceding 3-year period—

''(A) engaged in the trading of a firearm, ammunition, an explosive, or a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)) for a coupon; or

''(B) committed any act that constitutes a violation of this Act or a State law relating to using, presenting, transferring, acquiring, receiving, or possessing a coupon, authorization card, or access device.''; and

(4) in subsection (b)(3)(B), by striking ''neither the ownership nor management of the store or food concern was aware'' and inserting ''the ownership of the store or food concern was not aware''.

## BREAUX (AND JOHNSTON) AMENDMENT NOS. 3420–3421

(Ordered to lie on the table.)

Mr. BREAUX (for himself and Mr. JOHNSTON) submitted two amendments to be proposed by them to the amendment No. 3184 proposed by Mr. LEAHY to the bill (S. 1541), supra, as follows:

AMENDMENT NO. 3420

In the pending amendment:

Strike language 103(a)(3) after ''interests of'' and add ''tenants and sharecroppers.''

Strike language in 103(F)(6) after ''owners and operators'' and add ''and other producers on the farm actively engaged in farming subject to the contract on a fair and equitable basis taking into consideration historical relationships and common practices within a region.''

AMENDMENT NO. 3421

Amend section 104 by adding at the end the following:

(l) PROGRAM ON TERMINATION OF MARKET TRANSITION PROGRAM.—

(1) Notwithstanding any other provision of this Act or any other provision of law, upon termination of the authority of this Act to carry out a market transition program, the Secretary shall carry out a program for each succeeding annual crop of an agricultural commodity upon the same terms and conditions as provided under the law in effect immediately before the date of enactment of this Act for the 1995 crop of such commodity.

(2) The Secretary may use the fund, authorities, and facilities of the Commodity Credit Corporation to carry out this subsection.

## BREAUX (AND JOHNSTON) AMENDMENT NO. 3422

(Ordered to lie on the table.)

Mr. BREAUX (for himself and Mr. JOHNSON) submitted an amendment intended to be proposed by them to the amendment No. 3205 proposed by Mr. MOYNIHAN (and MIKULSKI) to the bill (S. 1541), supra; as follows:

Strike all after the enacting clause and insert the following:

''In administering the sugar program, the Secretary shall use all authorities available to him, as is necessary, to ensure the economic viability of all segments of the domestic sugar industry, including sugar cane growers and processors, sugar beet growers and processor and cane sugar refiners''.

## CONRAD AMENDMENT NO. 3423–3426

(Ordered to lie on the table.)

Mr. CONRAD submitted four amendments intended to be proposed by him to the amendment No. 3184 proposed by Mr. LEAHY to the bill (S. 1541), supra; as follows:

AMENDMENT NO. 3423

On page 3–62, after line 22, insert the following:

**SEC. 356. ABANDONMENT OF CONVERTED WETLANDS.**

Section 1222(b)(2) of the Food Security Act of 1985 (16 U.S.C. 3822(b)(2)) is amended—

(1) in subparagraph (A), by striking ''or'' at the end;

(2) in subparagraph (B), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(C) a wetland that has been restored or enhanced after the date of enactment of this subparagraph, if—

''(i) technical determinations of the prior site conditions and the restoration or enhancement action have been adequately documented in a plan approved by the Secretary prior to implementation;

''(ii) the conversion of the restored or enhanced wetland results in a level of wetland functions and values at least equivalent to the functions and values present at the site prior to the restoration or enhancement; and

''(iii) the conversion action proposed by the private landowner is approved by the Secretary prior to implementation.''.

AMENDMENT NO. 3424

Beginning on page 1–21, strike line 5 and all that follows through page 1–24, line 10, and insert the following:

(1) WHEAT.—The loan rate for a marketing assistance loan for wheat shall be not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—The loan rate for a marketing assistance loan for corn shall not be less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

AMENDMENT NO. 3425

Beginning on page 1–21, strike line 5 and all that follows through page 1–23, line 3, and insert the following:

(1) WHEAT.—The loan rate for a marketing assistance loan for wheat shall be not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for corn shall not be less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

AMENDMENT NO. 3426

On page 3–62, after line 22, insert the following:

**SEC. 356. WETLAND CONSERVATION EXEMPTION.**

Section 1222(b)(1) of the Food Security Act of 1985 (16 U.S.C. 3822(b)(1)) is amended—

(1) in subparagraph (C), by striking ''or'' at the end; and

(2) by adding at the end the following:

''(E) converted wetland, if—

''(i) the extent of the conversion is limited to the return of conditions that will be at least equivalent to the wetland functions and values that existed prior to implementation of the wetland restoration, enhancement, or creation action;

''(ii) technical determinations of the prior site conditions and the restoration, enhancement, or creation action have been adequately documented in a plan approved by the Natural Resources Conservation Service prior to implementation; and

''(iii) the conversion action proposed by the private landowner is approved by the National Resources Conservation Service prior to implementation; or''.

## CONRAD AMENDMENT NO. 3427

(Ordered to lie on the table.)

Mr. CONRAD submitted an amendment intended to be proposed by him to amendment No. 3252 submitted by Mr. LUGAR to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Beginning on page 3–6, strike line 1 and all that follows through page 3–8, line 6, and insert the following:

**SEC. 312. CONSERVATION RESERVE PROGRAM.**

(a) IN GENERAL.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended—

(1) by striking ''1995'' each place it appears and inserting ''2002'';

(2) in subsection (b)—

(A) in paragraph (4), by striking the period at the end and inserting ''; and''; and

(B) by adding at the end the following:

''(5) land that is enrolled in the water bank program established under the Water Bank Act (16 U.S.C. 1301 et seq.), except that—

''(A) the payment rates for the land shall not exceed the payment rates in effect under the water bank program;

''(B) regulations issued under the water bank program shall apply to the land; and

''(C) new contracts and extensions of contracts with respect to the land shall enroll land in a manner that—

''(i) maximizes environmental benefits per dollar expended; and

''(ii) contributes to flood control and protects and enhances wetland functions and values.''; and

(3) in subsection (d), by striking ''38,000,000'' and inserting ''36,400,000''.

(b) DUTIES OF OWNERS AND OPERATORS.—Section 1232(c) of the Food Security Act of 1985 (16 U.S.C. 3832(c)) is amended by striking ''1995'' and inserting ''2002''.

**SEC. 313. WETLANDS RESERVE PROGRAM.**

(a) PURPOSES.—Section 1237(a) of the Food Security Act of 1985 (16 U.S.C. 3837(a)) is amended by striking ''to assist owners of eligible lands in restoring and protecting wetlands'' and inserting ''to protect wetlands for purposes of enhancing water quality and providing wildlife benefits while recognizing landowner rights''.

(b) ENROLLMENT.—Section 1237 of the Food Security Act of 1985 (16 U.S.C. 3837) is amended by striking subsection (b) and inserting the following:

''(b) MINIMUM ENROLLMENT.—The Secretary shall enroll into the wetlands reserve program—

''(1) during the 1996 through 2002 calendar years, a total of not more than 975,000 acres; and

''(2) beginning with offers accepted by the Secretary during calendar year 1997, to the maximum extent practicable, ⅓ of the acres in permanent easements, ⅓ of the acres in 30-year easements, and ⅓ of the acres in restoration cost-share agreements.''.

(c) ELIGIBILITY.—Section 1237(c) of the Food Security Act of 1985 (16 U.S.C. 3837(c)) is amended—

(1) by striking ''2000'' and inserting ''2002'';

(2) by inserting ''the land maximizes wildlife benefits and wetland values and functions and'' after ''determines that'';

(3) in paragraph (1)—

(A) by striking ''December 23, 1985'' and inserting ''January 1, 1996''; and

(B) by striking ''and'' at the end;

(4) by redesignating paragraph (2) as paragraph (3).

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## BUMPERS (AND PRYOR) AMENDMENT NO. 3428

(Ordered to lie on the table.)

Mr. BUMPERS (for himself and Mr. PRYOR) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place add the following:

Any program authorized to be administered by the Secretary of Agriculture on January 1, 1995, shall be deemed authorized under the same terms and conditions until December 31, 1996, unless other terms and conditions are established by law.

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## DASCHLE AMENDMENT NO. 3415

(Ordered to lie on the table.)

Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

Title I is amended by—

(1) striking ''2002'' each place it appears and inserting ''1998'';

(2) striking ''2003'' each place it appears and inserting ''1999'';

(3) in section 103 striking subsections (d) through (f) and inserting the following:

''(e) CONTRACT PAYMENTS.—

''(1) IN GENERAL.—The Secretary shall provide advanced and final payments to owners and operators in accordance with this subsection.

''(2) ADVANCED PAYMENTS.—

''(A) IN GENERAL.—An owner or operator shall receive an advanced payment by June 15 for the 1996 fiscal year and December 15 for the 1997 and 1998 fiscal years which represents the product of—

''(i) the applicable payment rate described in subparagraph (B);

''(ii) the farm program payment yield; and

''(iii) 85 percent of the contract acreage.

''(B) PAYMENT RATE.—The payment rate shall be—

''(i) for corn, $.16 per bushel;

''(ii) for grain sorghum, $.19 per bushel;

''(iii) for barley, $.12 per bushel;

''(iv) for oats, $.02 per bushel;

''(v) for wheat, $.27 per bushel;

''(vi) for rice, $1.14 per hundredweight; and

''(vii) for upland cotton, $.032 per pound.

''(3) FINAL PAYMENT.—

''(A) IN GENERAL.—The Secretary shall make a final payment which represents the county rate described in subparagraph (B) multiplied by lessor of—

''(i) 85 percent of the contract average; or

''(ii) contract acreage planted to the contract commodity.

''(B) COUNTY RATE.—The county rate is the difference between the target county revenue described in clause (i) and the current county revenue described in clause (ii).

''(i) TARGET COUNTY REVENUE.—The target county revenue shall equal to the product of—

''(I) the five year average county yield for the contract commodity, excluding the year in which the average yield was the highest and the lowest; and

''(II) the established price for the commodity for the 1995 crop.

''(ii) CURRENT COUNTY REVENUE.—The current county revenue shall equal the product of—

''(I) the average price for the contract commodity for the first five months of the marketing year; and

''(II) the county average yield for the contract commodity.

''(iii) LIMITATION.—The final payment shall be reduced by the advanced payment, but in no case shall the final payment be less than zero.''

(4) in section 104(b) by striking paragraphs (1)(A)(ii), (2)(A)(ii), (3)(B), and (4)(B).

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## LOTT (AND OTHERS) AMENDMENT NO. 3429

(Ordered to lie on the table.)

Mr. LOTT (for himself, Mr. BURNS, Mr. COCHRAN, Mr. CRAIG, Mr. FAIRCLOTH, Mr. HATCH, Mr. INHOFE, Mr. KYL, Mr. MACK, Mr. MURKOWSKI, Mr. SHELBY, Mr. BREAUX, Mr. JOHNSTON, Mr. KEMPTHORNE, Mrs. HUTCHISON, and Mr. PRESSLER) submitted an amendment intended to be proposed by them to the bill (S. 1541), supra; as follows:

At the appropriate place in title III, insert the following:

**SEC. 3___. PHASING-IN OF AMENDMENTS OF AND REVISIONS TO LAND AND RESOURCE MANAGEMENT PLANS.**

(a) IN GENERAL.—Section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604) is amended by adding at the end the following:

''(n) PHASING-IN OF CHANGES TO LAND AND RESOURCE MANAGEMENT PLANS.—

''(1) IN GENERAL.—When the Secretary amends or revises a land or resource management plan with the purpose of increasing the population of a species in a unit of the National Forest System or in any area within a unit, the Secretary shall, to the greatest extent practicable and except when there is an imminent risk to public health, phase in the amendment or revision over an appropriate period of time determined on the basis of the considerations described in paragraph (2).

''(2) CONSIDERATIONS.—The considerations referred to in paragraph (1) are—

''(A) the social and economic consequences to local communities of any new policy contained in an amendment or revision;

''(B) the length of time needed to achieve the population increase that is the objective of the amendment or revision;

''(C) the cost of implementation of the amendment or revision; and

''(D) the financial resources available for implementation of the amendment or revision.''.

(b) APPLICATION OF AMENDMENT.—The amendment made by subsection (a) shall apply to any amendment of or revision to a land or resource management plan described in the amendment that is proposed on or after the date of enactment of this Act or that has been proposed but not finally adopted prior to the date of enactment.

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## DASCHLE AMENDMENT NO. 3430

(Ordered to lie on the table.)

Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill (S. 1541), supra; as follows:

(a) Title I is amended by—

(1) striking ''2002'' each place it appears and inserting ''1998'';

(2) striking ''2003'' each place it appears and inserting ''1999'';

(3) in section 103 striking subsections (d) through (f) and inserting the following:

''(e) CONTRACT PAYMENTS.—

''(1) IN GENERAL.—The Secretary shall provide advanced and final payments to owners and operators in accordance with this subsection.

''(2) ADVANCED PAYMENTS.—

(A) IN GENERAL.—An owner or operator shall receive an advanced payment by June 15 for the 1996 fiscal year and December 15 for the 1997 and 1998 fiscal years which represents the product of—

''(i) the applicable payment rate described in subparagraph (B);

''(ii) the farm program payment yield; and

''(iii) 85 percent of the contract acreage.

''(B) PAYMENT RATE.—The payment rate shall be—

''(i) for corn, $.16 per bushel;

''(ii) for grain sorghum, $.19 per bushel;

''(iii) for barley, $.12 per bushel;

''(iv) for oats, $.02 per bushel;

''(v) for wheat, $.27 per bushel;

''(vi) for rice, $1.14 per hundredweight; and

''(vii) for upland cotton, $.032 per pound.

''(e) FINAL PAYMENT.—

''(A) IN GENERAL.—The Secretary shall make a final payment which represents the county rate described in subparagraph (B) multiplied by 85 percent of the contract acreage.

''(B) COUNTY RATE.—The county rate is the difference between the target county revenue described in clause (i) and the current county revenue described in clause (ii).

''(i) TARGET COUNTY REVENUE.—The target county revenue shall equal to the product of—

''(I) the five year average county yield for the contract commodity, excluding the year in which the average yield was the highest and the lowest; and

''(II) the established price for the commodity for the 1995 crop.

''(ii) CURRENT COUNTY REVENUE.—The current county revenue shall equal the product of—

''(I) the average price for the contract commodity for the first five months of the marketing year; and

''(II) the county average yield for the contract commodity.

''(iii) LIMITATION.—The final payment shall be reduced by the advanced payment, but in no case shall the final payment be less than zero.''

(4) in section 104(b) by striking paragraphs (1)(A)(ii), (2)(A)(ii), (3)(B), and (4)(B).

(b) Title V is amended by adding at the end the following:

**''SEC. 507 FUND FOR RURAL AMERICA.**

''(a) IN GENERAL.—The Secretary shall create an account called the Fund for Rural America for the purposes of providing funds for activities described in subsection (c).

''(b) COMMODITY CREDIT CORPORATION.—In each of the 1996 through 1998 fiscal years, the Secretary shall transfer into the Fund for Rural America (hereafter referred to as the ''Account'')—

''(1) $50,000,000 for the 1996 fiscal year;

''(2) $100,000,000 for the 1997 fiscal year; and

''(3) $150,000,000 for the 1998 fiscal year.

''(c) PURPOSES.—Except as provided in subsection (d), the Secretary shall provide not more than one-third of the funds from the Account for activities described in paragraph (2).

''(1) RURAL DEVELOPMENT ACTIVITIES.—The Secretary may use the funds in the Account for the following rural development activities authorized in:

''(A) The Housing Act of 1949 for—

''(i) direct loans to low income borrowers pursuant to section 502;

''(ii) loans for financial assistance for housing for domestic farm laborers pursuant to section 514;

''(iii) financial assistance for housing of domestic farm labor pursuant to section 516;

''(iv) grants and contracts for mutual and self help housing pursuant to section 523(b)(1)(A); and

''(v) grants for Rural Housing Preservation pursuant to section 533;

''(B) The Food Security Act of 1985 for loans to intermediary borrowers under the Rural Development Loan Fund;

''(C) Consolidated Farm and Rural Development Act for—

''(i) grants for Rural Business Enterprises pursuant to section 310B(c) and (j);

''(ii) direct loans, loan guarantees and grants for water and waste water projects pursuant to section 306; and

''(iii) down payments assistance to farmers, section 310E;

''(D) grants for outreach to socially disadvantaged farmers and ranchers pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279); and

''(E) grants pursuant to section 204(6) of the Agricultural Marketing Act of 1946.

''(2) RESEARCH.—

''(A) IN GENERAL.—The Secretary may use the funds in the Account for research grants to increase the competitiveness and farm profitability, protect and enhance natural resources, increase economic opportunities in farming and rural communities and expand locally owned value added processing and marketing operations.

''(B) ELIGIBLE GRANTEE.—The Secretary may make a grant under this paragraph to—

''(i) a college or university;

''(ii) a State agricultural experiment station;

''(iii) a State Cooperative Extension Service;

''(iv) a research institution or organization;

''(v) a private organization or person; or

''(vi) a Federal agency.

''(C) USE OF GRANT.—

''(i) IN GENERAL.—A grant made under this paragraph may be used by a grantee for 1 or more of the following uses:

''(I) research, ranging from discovery to principles of application;

''(II) extension and related private-sector activities; and

''(III) education.

''(ii) LIMITATION.—No grant shall be made for any project, determined by the Secretary, to be eligible for funding under research and commodity promotion programs administered by the Department.

''(D) ADMINISTRATION.—

''(i) PRIORITY.—In administering this paragraph, the Secretary shall—

''(I) establish priorities for allocating grants, based on needs and opportunities of the food and agriculture system in the United States related to the goals of the paragraph;

''(II) seek and accept proposals for grants;

''(III) determine the relevance and merit of proposals through a system of peer and stakeholder review; and

''(IV) award grants on the basis of merit, quality, and relevance to advancing the national research and extension purposes.

''(ii) COMPETITIVE AWARDING.—A grant under this paragraph shall be awarded on a competitive basis.

''(iii) TERMS.—A grant under this paragraph shall have a term that does not exceed 5 years.

''(iv) MATCHING FUNDS.—As a condition of receipts under this paragraph, the Secretary shall require the funding of the grant with equal matching funds from a non-Federal source if the grant is—

''(I) for applied research that is commodity-specific; and

''(II) not of national scope.

''(v) ADMINISTRATIVE COSTS.—

''(I) IN GENERAL.—The Secretary may use not more than 4 percent of the funds made available under this paragraph for administrative costs incurred by the Secretary in carrying out this paragraph.

''(II) LIMITATION.—Funds made available under this paragraph shall not be used—

''(aa) for the construction of a new building or the acquisition, expansion, remodeling, or alteration of an existing building (including site grading and improvement and architect fees); or

''(bb) in excess of ten percent of the annual allocation for commodity-specific projects not of the national scope.

''(d) LIMITATIONS.—No funds from the Fund for Rural America may be used for an activity specified in subsection (c) if the current level of appropriations for the activity is less than 90 percent of the 1996 fiscal year appropriations for the activity adjusted for inflation.''

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## SIMON AMENDMENT NO. 3431

(Ordered to lie on the table.)

Mr. SIMON submitted an amendment intended to be proposed by him to the bill (S. 1541), supra; as follows:

At the appropriate place insert the following:

''Of funds otherwise available to the Commodity Credit Corporation, not less than $120,000,000 shall be made available for basic and applied research designed to promote soybean production.''

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## LEAHY AMENDMENT NO. 3432

(Ordered to lie on the table.)

Mr. LEAHY submitted an amendment intended to be proposed by him to the amendment No. 3252 proposed by him to the bill (S. 1541), supra; as follows:

In section 561 at the appropriate place, insert the following paragraph.

(4) loans to intermediary lenders pursuant to the Rural Development Loan Fund (42 USC 9812 (a)).

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## GRAMS AMENDMENT NO. 3433

(Ordered to lie on the table.)

Mr. GRAMS submitted an amendment intended to be proposed by him to the bill (S. 1541), supra; as follows:

At the appropriate place add the following:

''It is the Sense of the Senate that prior to the consideration of any health care portability legislation the Congress and the President must ensure the solvency of the Medicare Trust Funds.''

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## BUMPERS (AND PRYOR) AMENDMENTS NOS. 3434–3437

(Ordered to lie on the table.)

Mr. BUMPERS (for himself and Mr. PRYOR) submitted four amendments intended to be proposed by them to the bill S. 1541, supra; as follows:

### AMENDMENT NO. 3434

At the appropriate place, add the following:

''Any program authorized to be administered by the Secretary of Agriculture on January 1, 1995 shall be deemed authorized under the same terms and conditions until December 31, 1996, unless other terms and conditions are subsequently established by law.''

### AMENDMENT NO. 3435

Strike all after the first word and insert the following:

''Any other provision of this Act, any program authorized to be administered by the Secretary of Agriculture on January, 1995, modified by this Act, shall be deemed authorized under the same terms and conditions as existed on January 1, 1995, until December 31, 1996, unless other terms and conditions are subsequently established by law.''

### AMENDMENT NO. 3436

At the appropriate place, add the following:

''Any program authorized to be administered by the Secretary of Agriculture on January 1, 1995 shall be deemed authorized under the same terms and conditions until December 31, 1997, unless other terms and conditions are subsequently established by law.''

### AMENDMENT NO. 3437

Strike all after the first word and insert the following.

''Any other provision of this Act, any program authorized to be administered by the Secretary of Agriculture on January 1, 1995, modified by this Act, shall be deemed authorized under the same terms and conditions as existed on January 1, 1995, until December 31, 1997, unless other terms and conditions are subsequently established by law.''

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## MCCONNELL AMENDMENT NO. 3438

(Ordered to lie on the table.)

Mr. MCCONNELL submitted an amendment intended to be proposed by him to the amendment No. 3184 proposed by Mr. LEAHY to the bill (S. 1541), supra, as follows:

At the appropriate place, insert the following:

**SEC. . FLUID MILK PROMOTION PROGRAM EXTENSION.**

Section 19990(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6614(a)) is amended by striking ''1996'' and inserting ''2002''

## GRAMS AMENDMENT NO. 3439

(Ordered to lie on the table.)

Mr. GRAMS submitted an amendment intended to be proposed by him to the amendment No. 3184 proposed by Mr. LEAHY to the bill (S. 1541), supra; as follows:

Beginning on page 1–73, strike line 12 and all that follows through page 1–75, line 7.

## CONRAD AMENDMENT NO. 3440–3441

(Ordered to lie on the table.)

Mr. CONRAD submitted two amendments intended to be proposed by him to amendment No. 3252 submitted by Mr. LUGAR to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3440

On page 4–45, strike lines 9 through 13 and insert the following:

''The Secretary may not reschedule or reamortize a loan for a borrower under this title who has not requested consideration under section 331D(e) unless the borrower—

''(1) after paying all family living and operating expenses, excluding interest, can pay a portion, as determined by the Secretary, of the interest due on the loan; and

''(2) has disposed of all normal income security.

AMENDMENT NO. 3441

On page 4–29, strike lines 21 and 22 and insert the following:

(i) by striking ''exceed 15 percent'' and all that follows through ''Code'' and inserting the following: ''exceed—

''(i) 25 percent of the median acreage of the farms or ranches, as the case may be, in the county in which the farm or ranch operations of the applicant are located, as reported in the most recent census of agriculture taken under section 142 of title 13, United States Code.

## KOHL (AND OTHERS) AMENDMENT NO. 3442.

Mr. WELLSTONE (for Mr. KOHL for himself, Mr. FEINGOLD, Mr. WELLSTONE, Mr. PRESSLER, Mr. LAUTENBERG. Mr. GRAMS, Mr. HATCH) proposed an amendment to amendment No. 3184 proposed by Mr. LEAHY to the bill s. 1541, supra; as follows:

Beginning on page 1–73, strike line 12 and all that follows through page 1–75, line 7.

## NOTICES OF HEARINGS

SUBCOMMITTEE ON FOREST AND PUBLIC LAND MANAGEMENT

Mr. CRAIG. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a field hearing in Hot Springs, AR, before the Subcommittee on Forests and Public Land Management on S. 1025, exchange of lands, mineral, oil and gas interests.

The hearing will be held on Thursday, February 15, 1996, beginning at 2:30 p.m. in the Arlington Resort Hotel, 239 Central Avenue, Hot Springs, AR 71902. Testimony will be received on the land exchange of certain federally owned lands and minerals interest, with private lands owned by the Weyerhauser Co.

Because of the limited time available, witnesses may testify by invitation only. Witnesses testifying at the hearing are requested to bring 10 copies of their testimony with them on the day of the hearing. In addition, please send or fax a copy in advance to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. Fax 202–228–0539.

For further information, please contact Mark Rey of the committee staff at 202–224–6170.

SUBCOMMITTEE ON INVESTIGATIONS

Mr. STEVENS. Mr. President, I would like to announce for the information of the Senate and the public that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, will hold hearings regarding the Asset Forfeiture Program—an investigation of the Bicycle Club Casino.

This hearing will take place on Tuesday, February 27, 1996, in room 342 of the Dirksen Senate Office Building. For further information, please contact Harold Damelin of the subcommittee staff at 224–3721.

## AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON IMMIGRATION

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Subcommittee on Immigration, of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Tuesday, February 6, 1966, at 10 a.m., to hold a hearing on the the use of SSI and other welfare programs by Immigration.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Subcommittee on Oversight and Investigations of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Tuesday, February 6, 1996, for purposes of conducting a Subcommittee hearing which is scheduled to begin at 2 p.m. The purpose of this oversight hearing is to receive testimony to review trends in Federal land ownership by the Department of the Interior and the U.S. Forest Service.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ADDITIONAL STATEMENTS

## LEGISLATION TO BAN U.N. TAX PROPOSAL

● Mr. BURNS. Mr. President, I wish to state my support for Senate bill 1519, the Prohibition of United Nations Taxation Act of 1996. This bill was introduced by Senator DOLE, and referred to the Senate Foreign Relations Committee.

This legislation bars the United States from making any voluntary or assessed payments to the United Nations if Secretary-General Boutros Boutros-Ghali imposes any tax or fee on United States citizens or continues to consider any such proposal.

I find it outrageous that the United Nations could actually believe it has the sovereignty to raise and collect taxes on the people of this world to increase its coffers. The idea of a tax on any international action, whether it be a plane ticket, a letter mailed, or a currency exchange, is simply beyond my belief.

This revenue would then be used by unelected, world bureaucrats to do what they want under the umbrella of the United Nations. This organization has repeatedly attempted to increase its power even as the U.S. Congress tries to limit its scope and authority.

There are many questions about the U.N.'s responsibilities and its ever-growing role in international relations ranging from peacekeeping missions to international conferences on everything from children's rights to the environment.

Recently, in my home State of Montana, a U.N. delegation visited Yellowstone National Park in order to promote a buffer zone that would prohibit mineral development in the area. It is bad enough that we have allowed the United Nations to set our international role, but now we are allowing it to come into our country and set national policy. I ask that the February 1, 1996 Washington Times article entitled ''U.N. 'intrusion' stirs anger at Yellowstone,'' be printed in the RECORD.

There are many cases that exemplify the degree to which to the United Nations is full of waste and uncontrolled spending. I cosponsored an amendment to the 1995 fiscal year State Department authorization bill that would establish the position of inspector general within the United Nations to seriously address the rampant corruption and inefficiency throughout the U.N. system and make it more accountable.

While it is true that the United States owes in excess of $1 billion in membership contributions, it is also true that we provide a quarter to a third of the U.N.'s budget. Compare that to other countries who are still assessed membership dues at the same rate as they were when they were developing countries in the sixties.

The last thing the United Nations should be given is the ability to raise revenue in order to increase its powers.