Public Law 85-835

AN ACT

To provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the “Agricultural Act of 1958.”

TITLE I—COTTON

PROGRAM FOR 1959 AND 1960

SEC. 101. The Agricultural Act of 1949, as amended, is amended by adding the following new section:

“SEC. 102. Notwithstanding any other provisions of law—

(a) for each of the 1959 and 1960 crops of upland cotton the Secretary of Agriculture is authorized and directed to offer the operator of each farm for which an allotment is established under section 344 of the Agricultural Adjustment Act of 1938, as amended, a choice of (A) the farm acreage allotment determined pursuant to section 344 of the Agricultural Adjustment Act of 1938, as amended, and price support determined pursuant to section 101 of this Act (the amount of cotton estimated to be produced on the additional acres allotted to producers selecting choice (B) for such year being taken into account in computing such support), except that for the 1959 crop the level of support shall be not less than 80 per centum of parity, or (B) the farm acreage allotment determined pursuant to section 344 of the Agricultural Adjustment Act of 1938, as amended, increased by not to exceed 40 per centum (such increased acreage allotment to be the acreage allotment for the farm for all purposes) and price support at a level which is 15 per centum of parity below the level of support established for producers who elect choice (A). Any person operating more than one farm, in order to be eligible for choice (B), must elect choice (B) for all farms for which he is operator. Not later than January 31 the Secretary shall determine and announce on the basis of his estimate of the supply percentage and the parity price as of the following August 1, the price support level for producers who elect choice (A) and choice (B) respectively, and such price support levels shall be final. As soon as practicable after such announcement, the Secretary shall cause the operator (as shown on the records of the county committee) of each farm for which an allotment is established under section 344 of the Agricultural Adjustment Act of 1938, as amended, to be notified of the alternative levels of price support and the alternative acreage allotments available for his farm. The operator of each farm shall, within the time prescribed by the Secretary, notify the county committee in writing whether he desires the increased acreage allotment and the level of price support prescribed in choice (B) to be effective for the farm. If the operator fails to so notify the county committee within the time prescribed, he shall be deemed to have chosen the acreage allotment and the price support level prescribed in choice (A). The choice elected by the operator shall apply to all the producers on the farm. Notwithstanding the foregoing provisions of this subsection, the Secretary may permit the operator of a farm for which choice (B) is in effect to change to choice (A) where conditions beyond the control of
the farm operator, such as excessive rain, flood, or drought, prevented the planting of acreage to cotton or having cotton acreage available for harvest on the farm in accordance with the plans of such operator in selecting choice (B). The additional acreage required to be allotted to farms under this section shall be in addition to the county, State, and national acreage allotments and the production from such acreage shall be in addition to the national marketing quota. The additional acreage authorized by this section shall not be taken into account in establishing future State, county, and farm acreage allotments. Notwithstanding any other provision of law, no farm participating in any cotton acreage reserve program established for 1959 under the Soil Bank Act shall receive an increased acreage allotment under the provisions of this section for 1959. Notwithstanding the provisions of section 344 (m) (2) any farm cotton acreage allotment increased as the result of the selection of choice (B) may not be released and reapportioned to any other farm. Price support shall be made available under this paragraph only to cooperators and only if producers have not disapproved marketing quotas for the crop.

"(b) for each of the 1959 and 1960 crops of upland cotton, price support shall be made available to producers who elect choice (A) through a purchase program. Price support shall be made available to producers who elect choice (B) through loans, purchases, or other operations.

"(c) the Commodity Credit Corporation is directed, during the period beginning August 1, 1959, and ending July 31, 1961, to offer any upland cotton owned by it for sale for unrestricted use at not less than 10 per centum above the current level of price support prescribed in choice (B)."

PRICE SUPPORT FOR 1961 AND SUBSEQUENT YEARS

SEC. 102. (a) The Agricultural Act of 1949, as amended, is amended by adding a new section 103 as follows:

"Sec. 103. Notwithstanding the provisions of section 101 of this Act, price support to cooperators for each crop of upland cotton, beginning with the 1961 crop, for which producers have not disapproved marketing quotas shall be at such level not more than 90 per centum of the parity price therefor nor less than the minimum level prescribed below as the Secretary determines appropriate after consideration of the factors specified in section 401 (b) of this Act. For the 1961 crop the minimum level shall be 70 per centum of the parity price therefor, and for each subsequent crop the minimum level shall be 65 per centum of the parity price therefor. Price support in the case of noncooperators and in case marketing quotas are disapproved shall be as provided in section 101 (d) (3) and (5)."

ACREAGE ALLOTMENTS AND MARKETING QUOTAS

SEC. 103. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Section 342 is amended by striking out the third sentence and by changing the period at the end of the second sentence to a colon and adding the following: "Provided, That beginning with the 1961 crop, the national marketing quota shall be not less than a number of bales equal to the estimated domestic consumption and estimated exports (less estimated imports) for the marketing year for which the quota is proclaimed, except that the Secretary shall make such adjustment in the amount of such quota as he determines necessary
after taking into consideration the estimated stocks of cotton in the United States (including the qualities of such stocks) and stocks in foreign countries which would be available for the marketing year for which the quota is being proclaimed if no adjustment of such quota is made hereunder, to assure the maintenance of adequate but not excessive stocks in the United States to provide a continuous and stable supply of the different qualities of cotton needed in the United States and in foreign cotton consuming countries, and for purposes of national security; but the Secretary, in making such adjustments, may not reduce the national marketing quota for any year below (i) one million bales less than the estimated domestic consumption and estimated exports for the marketing year for which such quota is being proclaimed, or (ii) ten million bales, whichever is larger.

(2) Section 342 is further amended by adding at the end thereof the following: “Notwithstanding any other provision of this Act, the national marketing quota for upland cotton for 1959 and subsequent years shall be not less than the number of bales required to provide a national acreage allotment for each such year of sixteen million acres.”

(3) Section 347 (b) is amended by changing the period at the end of the second sentence to a colon and adding the following: “Provided, That beginning with the 1961 crop of extra long staple cotton, such national marketing quota shall be an amount equal to (1) the estimated domestic consumption plus exports for the marketing year which begins in the next calendar year, less (2) the estimated imports, plus (3) such additional number of bales, if any, as the Secretary determines is necessary to assure adequate working stocks in trade channels until cotton from the next crop becomes readily available without resort to Commodity Credit Corporation stocks.”

(4) The second sentence of section 344 (a) is amended by striking the word “five” and substituting the word “four”.

MINIMUM FARM ALLOTMENTS

Sec. 104. (a) Section 344 (b) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting before the period at the end thereof a colon and the following: “Provided, That there is hereby established a national acreage reserve consisting of three hundred and ten thousand acres which shall be in addition to the national acreage allotment; and such reserve shall be apportioned to the States on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), as determined by the Secretary without regard to State and county acreage reserves (except that the amount apportioned to Nevada shall be one thousand acres). For the 1960 and succeeding crops of cotton, the needs of States (other than Nevada) for such additional acreage for such purpose may be estimated by the Secretary, after taking into consideration such needs as determined or estimated for the preceding crop of cotton and the size of the national acreage allotment for such crop. The additional acreage so apportioned to the State shall be apportioned to the counties on the basis of the needs of the counties for such additional acreage for such purpose, and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 per centum of the county allotment determined without regard to such additional acreage). Additional acreage apportioned to a State for any year under the foregoing proviso shall not be taken into account in establishing future State acreage allotments. Needs for additional acreage under the foregoing provisions and under the last proviso in subsection (e)
shall be determined or estimated as though allotments were first computed without regard to subsection (f) (1)."

(b) Section 344 (e) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting before the period at the end thereof a colon and the following: "Provided further, That if the additional acreage allocated to a State under the proviso in subsection (b) is less than the requirements as determined or estimated by the Secretary for establishing minimum farm allotments for the State under subsection (f) (1), the acreage reserved under this subsection shall not be less than the smaller of (1) the remaining acreage so determined or estimated to be required for establishing minimum farm allotments or (2) 3 per centum of the State acreage allotment; and the acreage which is required to be reserved under this proviso shall be allocated to counties on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 per centum of the county allotment determined without regard to such additional acreages)."

(c) Section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by changing paragraph (1) to read as follows: "(1) Insofar as such acreage is available, there shall be allotted the smaller of the following: (A) ten acres; or (B) the acreage allotment established for the farm for the 1958 crop."

(d) The first sentence of section 344 (f) (6) of such Act is amended to read as follows: "Notwithstanding the provisions of paragraph (2) of the subsection, if the county committee recommends such action and the Secretary determines that such action will result in a more equitable distribution of the county allotment among farms in the county, the remainder of the county acreage allotment (after making allotments as provided in paragraph (1) of this subsection) shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) of this subsection so that the allotment to each farm under this paragraph together with the amount of the allotment of such farm under paragraph (1) (A) of this subsection shall be a prescribed percentage (which percentage shall be the same for all such farms in the county) of the average acreage planted to cotton on the farm during the three years immediately preceding the year for which such allotment is determined, adjusted as may be necessary for abnormal conditions affecting plantings during such three-year period: Provided, That the county committee may in its discretion limit any farm acreage allotment established under the provisions of this paragraph for any year to an acreage not in excess of 50 per centum of the cropland on the farm, as determined pursuant to the provisions of paragraph (2) of this subsection: Provided further, That any part of the county acreage allotment not apportioned under this paragraph by reason of the initial application of such 50 per centum limitation shall be added to the county acreage reserve under paragraph (3) of this subsection and shall be available for the purposes specified therein."

(e) The amendments made by this section shall be effective beginning with the 1959 crop.

Sec. 105. Effective beginning with the 1959 crop, section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following new paragraph: "(7) (A) In the event that any farm acreage allotment is less than that prescribed by paragraph (1), such acreage allotment shall be increased to the acreage prescribed by paragraph (1). The additional
acreage required to be allotted to farms under this paragraph shall be in addition to the county, State, and national acreage allotments and the production from such acreage shall be in addition to the national marketing quota.

"(B) Notwithstanding any other provision of law—

"(i) the acreage by which any farm acreage allotment for 1959 or any subsequent crop established under paragraph (1) exceeds the acreage which would have been allotted to such farm if its allotment had been computed on the basis of the same percentage factor applied to other farms in the county under paragraph (2), (6), or (8) shall not be taken into account in establishing the acreage allotment for such farm for any crop for which acreage is allotted to such farm under paragraph (2), (6), or (8); and acreage shall be allotted under paragraph (2), (6), or (8) to farms which did not receive 1958 crop allotments in excess of ten acres if and only if the Secretary determines (after considering the allotments to other farms in the county for such crop compared with their 1958 allotments and other relevant factors) that equity and justice require the allotment of additional acreage to such farm under paragraph (2), (6), or (8),

"(ii) the acreage by which any county acreage allotment for 1959 or any subsequent crop is increased from the national or State reserve on the basis of its needs for additional acreage for establishing minimum farm allotments shall not be taken into account in establishing future county acreage allotments, and

"(iii) the additional acreage allotted pursuant to subparagraph (A) of this paragraph (7) shall not be taken into account in establishing future State, county, or farm acreage allotments."

**METHOD OF DETERMINING FARM ALLOTMENTS**

Sec. 106. Section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following new paragraph:

"(8) Notwithstanding the foregoing provisions of paragraphs (2) and (6) of this subsection, the Secretary may, if he determines that such action will facilitate the effective administration of the provisions of the Act, provide for the county acreage allotment for the 1959 and succeeding crops of cotton, less the acreage reserved under paragraph (3) of this subsection, to be apportioned to farms on which cotton has been planted in any one of the three years immediately preceding the year for which such allotment is determined, on the basis of the farm acreage allotment for the year immediately preceding the year for which such apportionment is made, adjusted as may be necessary (i) for any change in the acreage of cropland available for the production of cotton, or (ii) to meet the requirements of any provision (other than those contained in paragraphs (2) and (6)) with respect to the counting of acreage for history purposes."

**RETENTION OF SURRENDERED ACREAGE IN COUNTY**

Sec. 107 Paragraph (2) of section 344 (m) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the period at the end of the second sentence of such paragraph and inserting in lieu thereof the following: "but no such acreage shall be surrendered to the State committee so long as any farmer receiving a cotton acreage allotment in such county desires additional cotton acreage."
Sec. 108. Section 3 (a) of the Act of August 29, 1949, Public Law 272, 81st Congress, and the last sentence of section 403 of the Agricultural Act of 1949, as amended, are hereby repealed. This section shall become effective with the 1961 crop.

COTTON SALES RESTRICTIONS

Sec. 109. Section 407 of the Agricultural Act of 1949, as amended, is amended by substituting a colon for the period at the end of the third sentence and adding at the end thereof the following: "Provided, That effective with the beginning of the marketing year for the 1961 crop, the Corporation shall not sell any upland or extra long staple cotton for unrestricted use at less than 15 per centum above the current support price for cotton plus reasonable carrying charges, except that the Corporation may, in an orderly manner and so as not to affect market prices unduly, sell for unrestricted use at the market price at the time of sale a number of bales of cotton equal to the number of bales by which the national marketing quota for such marketing year is reduced below the estimated domestic consumption and exports for such marketing year pursuant to the provisions of section 342 of the Agricultural Adjustment Act of 1938, as amended."

COTTON EXPORT PROGRAM

Sec. 110. Nothing in this Act shall be construed to affect or modify the provisions of section 203 of the Agricultural Act of 1956, and any cotton owned or acquired by the Commodity Credit Corporation under any price support program may be used for the purpose of carrying out the cotton export program provided for in section 203 of the Agricultural Act of 1956.

SPLIT GRADES

Sec. 111. Section 403 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following sentence: "Beginning with the 1959 crop, in adjusting the support price for cotton on the basis of grade, the Secretary shall establish separate price support rates for split grades and for full grades substantially reflecting relative values."

TITLE II—CORN AND FEED GRAINS

REFERENDUM

Sec. 201. Title I of the Agricultural Act of 1949, as amended, is further amended by adding at the end of such title the following: "Sec. 104. (a) Not later than December 15, 1958, the Secretary shall conduct a referendum of producers of corn in 1958 in the commercial corn-producing area for 1958 to determine whether such producers favor a price support program as provided in subsection (b) of this section for the 1959 and subsequent crops in lieu of acreage allotments as provided in the Agricultural Adjustment Act of 1938, as amended, and price support as provided in section 101 of the Agricultural Act of 1949, as amended.

(b) Notwithstanding any other provision of law, if less than a majority of the producers voting in the referendum conducted pursuant to subsection (a) hereof favor a price support program as provided in this subsection (b), the following provisions of law shall become inoperative:
"DISCONTINUANCE OF ACREAGE ALLOTMENTS ON CORN"

7 USC 1281. "(1) The Agricultural Adjustment Act of 1938, as amended, is amended by adding the following new section:

"Sec. 330. Notwithstanding any other provision of law, acreage allotments and a commercial corn-producing area shall not be established for the 1959 and subsequent crops of corn."

"PRICE SUPPORT"

7 USC 1421 note. "(2) The Agricultural Act of 1949, as amended, is amended by adding the following new section:

"Sec. 105. (a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1959 crop, price support shall be made available to producers for each crop of corn at 90 per centum of the average price received by farmers during the three calendar years immediately preceding the calendar year in which the marketing year for such crop begins, adjusted to offset the effect on such price of any abnormal quantities of low-grade corn marketed during any of such year: Provided, That the level of price support for any crop of corn shall not be less than 65 per centum of the parity price therefor.

"(b) Beginning with the 1959 crop, price support shall be made available to producers for each crop of oats, rye, barley, and grain sorghums at such level of the parity price therefor as the Secretary of Agriculture determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such commodity in relation to corn, and the other factors set forth in section 401 (b) hereof."

"(3) Section 101 (d) (4) of the Agricultural Act of 1949, as amended, is repealed effective with the 1959 crop."

TITLE III—RICE

MINIMUM NATIONAL AND STATE ACREAGE ALLOTMENTS

7 USC 1353. Sec. 301. Section 353 (c) (6) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out "1957 and 1958" in each place it occurs therein, and inserting "1957 and subsequent years".

PRICE SUPPORT

7 USC 1441. Sec. 302. (a) Section 101 (a) of the Agricultural Act of 1949, as amended, is amended, effective beginning with the 1959 crop—

(1) by striking out "wheat, and rice" and inserting "and wheat"; and

(2) by adding at the end thereof the following new paragraph:

"For rice of the 1959 and 1960 crops, the level of support shall be not less than 75 per centum of the parity price. For rice of the 1961 crop the level of support shall be not less than 70 per centum of the parity price. For the 1962 and subsequent crops of rice the level of support shall be not less than 65 per centum of the parity price."

TITLE IV—WOOL

7 USC 1782. Sec. 401. Section 703 of the National Wool Act of 1954 (68 Stat. 910) is amended by striking out "March 31, 1959" and inserting in lieu thereof "March 31, 1962".
Sec. 402. The first proviso in section 704 of such Act (68 Stat. 911) is amended by striking out “specific” the first time it appears therein, and by striking out “(whether or not such specific duties are parts of compound rates)”.  

Sec. 403. The proviso in section 705 of such Act (68 Stat. 911) is amended by striking out “specific” the first time it appears therein, and by striking out “(whether or not such specific duties are parts of compound rates)”.  

TITLE V—MISCELLANEOUS  

Sec. 501. The Agricultural Adjustment Act of 1938, as amended, is amended by adding after section 377 the following new section:  

“Sec. 378. (a) Notwithstanding any other provision of this Act, the allotment determined for any commodity for any land from which the owner is displaced because of acquisition of the land for any purpose, other than for the continued production of allotted crops, by any Federal, State, or other agency having the right of eminent domain shall be placed in an allotment pool and shall be available only for use in providing allotments for other farms owned by the owner so displaced. Upon application to the county committee, within three years after the date of such displacement, or three years after the enactment of this section, whichever period is longer, any owner so displaced shall be entitled to have established for other farms owned by him allotments which are comparable with allotments determined for other farms in the same area which are similar except for the past acreage of the commodity, taking into consideration the land, labor, and equipment available for the production of the commodity, crop-rotation practices, and the soil and other physical factors affecting the production of the commodity: Provided, That the acreage used to establish or increase the allotments for such farms shall be transferred from the pool and shall not exceed the allotment most recently established for the farm acquired from the applicant and placed in the pool. During the period of eligibility for the making of allotments under this section for a displaced owner, acreage allotments for the farm from which the owner was so displaced shall be established in accordance with the procedure applicable to other farms, and such allotments shall be considered to have been fully planted. After such allotment is made under this section, the proportionate part, or all, as the case may be, of the past acreage used in establishing the allotment most recently placed in the pool for the farm from which the owner was so displaced shall be transferred to and considered for the purposes of future State, county, and farm acreage allotments to have been planted on the farm to which allotment is made under this section. Except where paragraph (c) requires the transfer of allotment to another portion of the same farm, for the purpose of this section (1) that part of any farm from which the owner is so displaced and that part from which he is not so displaced shall be considered as separate farms; and (2) an owner who voluntarily relinquishes possession of the land subsequent to its acquisition by an agency having the right of eminent domain shall be considered as having been displaced because of such acquisition.  

“(b) The provisions of this section shall not be applicable if (1) there is any marketing quota penalty due with respect to the marketing of the commodity from the farm acquired by the Federal, State, or other agency or by the owner of the farm; (2) any of the commodity
produced on such farm has not been accounted for as required by the Secretary; or (3) the allotment next established for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of the commodity produced on or marketed from such farm or due to a false acreage report.

"(c) This section shall not be applicable, in the case of cotton, tobacco, and peanuts, to any farm from which the owner was displaced prior to 1950, in the case of wheat and corn, to any farm from which the owner was displaced prior to 1954, and in the case of rice, to any farm from which the owner was displaced prior to 1955. In any case where the cropland acquired for nonfarming purposes from an owner by an agency having the right of eminent domain represents less than 15 per centum of the total cropland on the farm, the allotment attributable to that portion of the farm so acquired shall be transferred to that portion of the farm not so acquired.

"(d) Sections 313 (h), 334 (d), 344 (h), 353 (f), and 358 (h) of the Agricultural Adjustment Act of 1938, as amended, are repealed, but any transfer or reassignment of allotment heretofore made under the provisions of these sections shall remain in effect, and any displaced farm owner for whom an allotment has been established under such repealed sections shall not be eligible for additional allotment under subsection (a) of this section because of such displacement."

"SECT. 502. Section 405 of the Agricultural Act of 1949 is amended by adding at the end thereof the following: "There is authorized to be included in the terms and conditions of any such nonrecourse loan a provision whereby on and after the maturity of the loan or any extension thereof Commodity Credit Corporation shall have the right to acquire title to the unredeemed collateral without obligation to pay for any market value which such collateral may have in excess of the loan indebtedness."

"SECT. 503. Section 201 (b) of the Agricultural Act of 1949, as amended, is amended by changing the semicolon at the end thereof to a colon and adding the following: "Provided, That in any crop year in which the Secretary determines that the domestic production of tung oil will be less than the anticipated domestic demand for such oil, the price of tung nuts shall be supported at not less than 65 per centum of the parity price therefor;"

"SECT. 504. (a) The first sentence of section 202 (a) of the Agricultural Act of 1949, as amended (7 U. S. C. 1446a), is amended by striking out "1958" and inserting in lieu thereof "1961".

"(b) Subsection (b) of section 202 of the Agricultural Act of 1949 (7 U. S. C. 1446a) is amended by striking out "1958" and inserting in lieu thereof "1961", by striking out "of the Army, Navy, or Air Force, and as a part of the ration" and inserting in lieu thereof "(1) of the Army, Navy, Air Force, or Coast Guard, (2)", and by inserting before the period at the end of the first sentence of such subsection the following: ", and (3) of cadets and midshipmen at, and other personnel assigned to, the United States Merchant Marine Academy".

"SECT. 505. Commodity Credit Corporation is authorized, on such terms as the Secretary of Agriculture may approve, to donate cotton acquired through its price support operations to educational institutions for use in the training of students in the processing and manufacture of cotton into textiles.

Approved August 28, 1958.