Public Law 94-214
94th Congress

An Act

To establish improved programs for the benefit of producers and consumers of rice.

Feb. 16, 1976
[H.R. 8529]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Rice Production Act of 1975.

SHORT TITLE

SECTION 1. This Act may be cited as the "Rice Production Act of 1975". 7 USC 428c note.

TITLE I—RICE ALLOTMENTS AND PRICE SUPPORT

NATIONAL ACREAGE ALLOTMENT AND ALLOCATION

SEC. 101. Effective for the 1976 and 1977 crops of rice, section 352 of the Agricultural Adjustment Act of 1938 is amended to read as follows: 7 USC 1352 note. 7 USC 1352.

"SEC. 352. (a) The Secretary shall establish for each of the 1976 and 1977 crops of rice a national acreage allotment in the amount of one million eight hundred thousand acres.

"(b) The national acreage allotment for each such crop of rice shall be apportioned by the Secretary to farms, and in producer States and administrative areas, to producers on the basis of the rice allotments established for the 1975 crop as adjusted in accordance with subsection (c) of this section: *Provided*, That not to exceed 1 per centum of the national acreage allotment apportioned within each State may be reserved by the State committee for (1) apportionment to new rice farms and new rice producers on the basis of the following factors: suitability of the land for the production of rice, the extent to which the farm operator (or produced in the case of a producer allotment) is dependent on income from farming for his livelihood, the production of rice on other farms owned, operated, or controlled by such person, and such other factors as the State committee determines should be considered for the purpose of establishing fair and equitable rice allotments; (2) making adjustments in farm allotments to correct inequities or to prevent hardship; and (3) making corrections in farm or producer allotments.

"(c) (1) If for any crop the total acreage planted to rice on a farm is less than the rice allotment for the farm (or in producer administrative areas, the producer allotments allocated to the farm), the farm or producer allotment used as a base for the succeeding crop shall be reduced by the percentage by which such planted acreage was less than the allotment for the farm, but such reduction shall not exceed 20 per centum of the farm or producer allotment for the preceding crop; except that if not less than 90 per centum of the farm acreage allotment is planted to rice, the farm shall be considered to have an acreage planted to rice equal to 100 per centum of such allotment. For purposes of this paragraph, an acreage on the farm which the Secretary determines was not planted to rice because of drought, flood, other natural disaster, or a condition beyond the control of the producer shall be

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considered to be an acreage planted to rice. For the purpose of this paragraph, the Secretary may permit producers of rice to have acreage devoted to soybeans, wheat, feed grains, sugar, castor beans, triticale, oats, cotton, rye, or such other crops as the Secretary may deem appropriate, considered as devoted to the production of rice to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the rice program.

"(2) If no acreage is planted (or regarded as planted) to rice for two consecutive crop years on any farm which had a farm acreage allotment for such years or for any producer which had a producer allotment for such years, such farm or producer shall lose it allotment.

"(3) Notwithstanding the provisions of paragraphs (1) and (2) of this subsection, no farm or producer allotment shall be reduced or lost through failure to plant, if the cooperator elects not to receive payments for the portion of the farm or producer allotment not planted to which he would otherwise be entitled under the provisions of section 101(g) of the Agricultural Act of 1949.

7 USC 1441.

"(d) Notwithstanding any other provision of this Act, if the Secretary determines for any year that, because of drought, flood, other natural disaster, or a condition beyond the control of the person involved in the production of rice, none or only part of the acres of an allotment can be timely planted or replanted by or for such person in such year, the Secretary may authorize for such year the transfer of the total number of such acres which are so affected to another farm in the same or any nearby county, but within the same administrative area, on which one or more persons on the farm from which the transfer is made will be engaged in the production of rice and will share in the proceeds thereof, in accordance with such regulations as the Secretary may prescribe. Any allotment, or portion thereof, transferred under this subsection shall be regarded as planted to rice on the farm from which the transfer is made for purposes of establishing future farm allotments. For the purpose of determining the amount of payments and loans made under section 101(g) of the Agricultural Act of 1949 with regard to farms to which allotments, or portions thereof, are transferred under this subsection, the Secretary shall establish a farm yield for any such farm for which there is no established yield.

"(e)(1) The Secretary shall permit the owner and operator of any farm for which a farm acreage allotment has been established to sell or lease all or any part, or the right to all or any part of such allotment, to any other owner or operator of a farm in the same administrative area, or to transfer all or any part of such allotment to any other farm owned or controlled by him in the same administrative area. The Secretary shall also permit the person for whom a producer allotment has been established to sell or lease all or any part of such allotment to any other person in the same administrative area.

"(2)(A) If a producer in a State in which farm rice acreage allotments are determined on the basis of past production of rice by the producer on the farm dies, his history of rice production shall be apportioned in the whole or in part among his heirs or devisees according to the extent to which they may continue, or have continued, his farming operations, if satisfactory proof of such succession of farming operations is furnished the Secretary.

"(B) Upon dissolution of a partnership in a State in which farm rice acreage allotments are determined on the basis of past production of rice by the producer on the farm, the partnership's history of rice production shall be divided among the partners in such proportion as agreed upon in writing by the partners.

"(C) Any part of the farm rice acreage allotment on which rice will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the allotment to such farm and may be reapportioned by the county committee to other farms in the same county in amounts determined by the county committee to be fair and reasonable. Any allotment surrendered under this subparagraph shall be regarded for purposes of this subsection as having been planted on the farm from which it was surrendered.

"(f) Any acreage planted to rice in excess of the farm or producer acreage allotment in the crop years 1976 and 1977 shall not be taken into account in establishing farm, or producer acreage allotments in any year following such period.".

PAYMENTS AND LOANS

SEC. 102. Effective for the 1976 and 1977 crops of rice, section 101 of the Agricultural Act of 1949 is amended by adding the following new subsection at the end thereof: 7 USC 1441 note. 7 USC 1441.

"(g) Notwithstanding any other provision of law—

"(1) The established price for the purpose of making payments on rice under this subsection shall be $8 per hundredweight in the case of the 1976 crop, adjusted to reflect any changes in the index of prices paid by farmers for production items, interest, taxes, and wage rates during the period beginning on the date of enactment of the Rice Production Act of 1975, and ending July 31, 1976; for the 1977 crop the established price shall be the established price for the 1976 crop adjusted to reflect any changes in the index of prices paid by farmers for production items, interest, taxes, and wage rates during the twelve-month period immediately preceding July 31, 1977: *Provided*, That any increase that would otherwise be made in the established price for the 1976 and 1977 crops to reflect a change in the index of prices paid by farmers may be further adjusted to reflect any change in (i) the national average yield per acre of rice for the three calendar years preceding the year for which the determination is made, over (ii) the national average yield per acre for the three calendar years preceding the year previous to the one for which the determination is made.

"(2) The Secretary shall make available, to cooperators in the several States of the United States, loans and purchases on the 1976 crop of rice at a rate equal to $6 per hundredweight, adjusted to reflect any changes in the index of prices paid by farmers for production items, interest, taxes, and wage rates during the period beginning on the date of enactment of the Rice Production Act of 1975 and ending July 31, 1976: *Provided*, That any increase in the rate of loans and purchases for the 1976 crop to reflect a change in the index of prices paid by farmers may be further adjusted to reflect the change described in the proviso in paragraph (1) of this subsection. Loans and purchases for the 1977 crop shall be established at such rate as bears the same ratio to the loan rate for the 1976 crop as the established price for the 1977 crop bears to the established price for the 1976

crops. The loans and purchases for the 1976 and 1977 crops shall be made available to cooperators on a farm with respect to a quantity of rice determined by multiplying the allotment by the yield established for the farm, as determined in the manner described in the second sentence of paragraph (4) of this subsection.

"(3) The Secretary shall make available to cooperators payments for each of the 1976 and 1977 crops of rice grown in the several States of the United States at a rate equal to the amount by which the established price for the crop of rice exceeds the higher of—

"(A) the national average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary; or

"(B) the loan level determined under paragraph (2) for such crop.

"(4) The payments for the 1976 and 1977 crops shall be made available to cooperators on a farm with respect to a quantity of rice determined by multiplying the allotment by the yield established for the farm. The yield for the farm for any year shall be determined on the basis of the actual yields per harvested acre for the three preceding years: *Provided*, That the actual yields shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, other natural disaster, or condition beyond the control of the cooperator. If the Secretary determines that the persons involved in producing rice on a farm are prevented from planting all or any portion of the acreage allotments of producers on the farm or farm acreage allotment to rice or other nonconserving crop, because of droughts, flood, or other natural disaster or condition beyond the control of the producer, the rate of payment with regard to such acres so affected shall be the larger of (A) the foregoing rate, or (B) one-third of the established price, except that the Secretary shall make no payment pursuant to this sentence on a farm from which acres were transferred under section 352(d) of the Agricultural Adjustment Act of 1938 with respect to the transferred acreage. If the Secretary determines that, because of such disaster or condition, the total quantity of rice which the persons involved in producing rice are able to harvest on any farm is less than 66⅔ per centum of the acreage allotments of producers on the farm or of the farm acreage allotment times the yield of rice established for the farm, the rate of payment for the deficiency in production below 100 per centum shall be the larger of (A) the foregoing rate, or (B) one-third of the established price. Any payment made under the previous two sentences with regard to acres transferred under section 352(d) of the Agricultural Adjustment Act of 1938 shall be calculated with respect to the farm yield established on the farm to which such acres were transferred.

7 USC 1352.

Set-aside of cropland.

"(5)(A) The Secretary may provide for a set-aside of cropland for a crop of rice if he estimates (without taking into consideration the effect of a set-aside), that the carryover of rice for the marketing year beginning in the calendar year immediately following the calendar year in which such crop will be grown will exceed 15 per centum of the total supply of rice for the marketing year beginning in the calendar year in which such crop will be grown. The Secretary shall make a preliminary determination prior to the beginning of the calendar year in which such crop will be grown and a final determination not later than April 1 of the calendar year in which such crop is grown of whether a set-aside shall be in effect and, if so, the acreage of crop-

land required to be set aside. The determinations and estimates on which they are based shall be published in the Federal Register at the time they are made. If a set-aside of cropland is in effect under this paragraph then, as a condition of eligibility for payments, loans and purchases under this subsection, the cooperators must set aside and devote to conservation uses an acreage of cropland equal to (i) such percentage of the farm acreage allotment as may be specified by the Secretary (not to exceed 30 per centum of the farm acreage allotment), plus, if required by the Secretary, (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses, as determined by the Secretary. The Secretary shall permit cooperators to plant and graze sweet sorghum on set-aside acreage. The Secretary may permit, subject to such terms and conditions as he may prescribe, all or any part of the set-aside acreage to be devoted to hay and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, oats, rye, or other commodity, if he determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

Publication in Federal Register.

"(B) To assist in adjusting the acreage of rice to desirable goals, the Secretary may make land diversion payments, in addition to the payments authorized in paragraph (3) of this subsection, to cooperators on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in addition to that required to be devoted under subparagraph (A) of this paragraph. The land diversion payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the cooperator and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of the county or local community.

Land diversion payments.

"(6) The rice program formulated under this subsection shall require the cooperators to take such measures as the Secretary may deem appropriate to protect the set-aside acreage and the additional diverted acreage from erosion, insects, weeds, and rodents. Such acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentences. The Secretary may provide for an additional payment on such acreage in the amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the cooperator agrees to permit, without other compensation, access to all or such portion of the farm as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(7) If the operator of the farm desires to participate in the program formulated under this subsection, he shall file his agreement to do so no later than such date as the Secretary may prescribe. Payments under this subsection shall be made available to cooperators on such farm only if such cooperators set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres

which the operator of the farm agrees to set aside and devote to approved soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the cooperators on the farm, terminate or modify any such agreement entered into pursuant to this subsection if he determines such action necessary because of any emergency created by drought or other disaster, or in order to alleviate a shortage in the supply of rice.

"(8) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers including provision for sharing, on a fair and equitable basis, in payments under this subsection.

"(9) In the case in which the failure of a cooperator to comply fully with the terms and conditions of the program formulated under this subsection precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

Regulations.

"(10) The Secretary is authorized to issue such regulations as he determines necessary to carry out the provisions of this subsection.

"(11) The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

16 USC 590h.

"(12) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection.

"(13) Notwithstanding any other provision of law—

"(A) The total amount of payments which a person shall be entitled to receive during a crop year under the rice program shall not exceed $55,000.

"Payments."

"(B) The term 'payments' as used in this paragraph shall not include loans or purchases, or any part of any payment which is determined by the Secretary to represent compensation for resource adjustment or public access for recreation.

"(C) If the Secretary determines that the total amount of payments which will be earned by any person under the program in effect for any crop will be reduced under this section, the set-aside acreage for the farm or farms on which such persons will be sharing in payments earned under such program shall be reduced to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

Rules and regulations.

"(D) The Secretary shall issue regulations defining the term 'person' and prescribing such rules as he determines necessary to assure a fair and reasonable application of such limitation: *Provided*, That the provisions of this paragraph which limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary. The rules for determining whether corporations and their stockholders may be considered as separate persons shall be in accordance with the regulations issued by the Secretary on December 18, 1970.".

SUSPENSION OF MARKETING QUOTAS AND OTHER PROVISIONS

7 USC 1353 note.
7 USC 1353, 1354, 1355, 1356.

SEC. 103. Sections 353, 354, 355, and 356 of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1976 and 1977 crops of rice.

TITLE II—RICE RESEARCH

SEC. 201. (a) The Secretary of Agriculture may, under rules prescribed by such Secretary, carry out regional and national research programs with regard to rice for the following purposes: Rules. 7 USC 428c.

(1) to reduce fertilizer and herbicide usage in excess of production needs;

(2) to develop varieties of rice more susceptible to complete fertilizer utilization;

(3) to improve the resistance of rice plants to disease and to enhance their conservation and environmental qualities;

(4) to increase the usage of rice and its processing byproducts;

(5) to develop better husbandry practices in production and conservation of rice;

(6) to develop more efficient rice storage practices;

(7) to improve domestic and international marketing of rice; and

(8) to benefit the general welfare.

(b) The Secretary shall, in implementing the program authorized in subsection (a), utilize the technical and related services of appropriate Federal, State, local governmental, and private agencies, with priority consideration for land grant universities, State experiment stations, and other agricultural institutions of higher learning.

(c) There is authorized to be appropriated not more than $1,000,000 for the period ending September 30, 1976, to carry out the provisions of this section. No funds authorized by this section shall be used for advertising or promotional activities. Appropriation authorization.

TITLE III—MISCELLANEOUS

UNUSED ACREAGE ALLOTMENTS

SEC. 301. Section 377 of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1976 and 1977 crops of rice. 7 USC 1377 note. 7 USC 1377.

FINALITY OF FARMERS' PAYMENTS AND LOANS

SEC. 302. Effective only with respect to the 1976 and 1977 crops of rice, section 385 of the Agricultural Adjustment Act of 1938 is amended in the first sentence thereof by inserting immediately after "cotton set-aside program," the following: "payments under the rice program authorized by section 101(g) of the Agricultural Act of 1949,". 7 USC 1385 note. 7 USC 1385. 7 USC 1441.

DEFINITION OF COOPERATOR

SEC. 303. Section 408(b) of the Agricultural Act of 1949 is amended by striking out the period at the end of the first sentence and inserting in lieu thereof the following: ": *Provided further*, That for the 1976 and 1977 crops of rice, a cooperator shall be a person who produces rice on a farm for which a farm acreage allotment has been established or to which a producer acreage allotment has been allocated and, if a set-aside is in effect, who has set aside any acreage required under section 101(g).". 7 USC 1428.

CONFORMING AMENDMENT

7 USC 1428 note.
7 USC 1428.

SEC. 304. Effective only with respect to the 1976 and 1977 crops of rice, section 408 of the Agricultural Act of 1949 is amended by adding at the end thereof the following new subsection:

"Reference to Terms Made Available to Rice

7 USC 1422, 1423, 1426, 1427, 1431.

"(m) Reference made in sections 402, 403, 406, 407, and 416 to terms 'support price', 'level of support', and 'level of price support' shall be considered to apply as well to the level of loans and purchases for rice under this Act, and references made to the terms 'price support', 'price support operation', and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for such rice in this Act.".

7 USC 1421.

Approved February 16, 1976.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 94-618 (Comm. on Agriculture).
SENATE REPORT No. 94-557 accompanying S. 2260 (Comm. on Agriculture and Forestry).
CONGRESSIONAL RECORD:
Vol. 121 (1975): Dec. 10, 16, considered and passed House.
Vol. 122 (1976): Jan. 28-30, Feb. 2, 3, considered and passed Senate, in lieu of S. 2260.