Public Law 96–494
96th Congress
An Act

[Dec. 3, 1980]

To increase the minimum price support loan rates for wheat, feed grains, and soybeans, to improve the farmer-held reserve program for wheat and feed grains, to establish a five-year food security wheat reserve, and for other purposes.

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 1980”.

TITLE I—WALNUT AND OLIVE MARKETING ORDERS

SEC. 101. Section 8c(6)(I) of the Agricultural Adjustment Act (7 U.S.C. 608c(6)(I)), as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) by inserting “walnuts,” before “or tomatoes”; and

(2) by inserting “walnuts, olives,” before “and Florida Indian River grapefruit”.

TITLE II—AGRICULTURAL TRADE SUSPENSION ADJUSTMENT ACT OF 1980

SHORT TITLE

SEC. 201. This title may be cited as the “Agricultural Trade Suspension Adjustment Act of 1980”.

1981 CROPS OF FEED GRAINS, WHEAT, AND SOYBEANS

SEC. 202. (a)(1) Section 105A(a) of the Agricultural Act of 1949 is amended by (A) striking out the comma after “$2.00 per bushel”, and

(B) striking out “through 1981 crops of corn,” and inserting in lieu thereof “through 1980 crops of corn, and not less than $2.25 per bushel for the 1981 crop of corn.”.

(2) Section 105A(f)(1) of the Agricultural Act of 1949 is amended by striking out “November 15” and inserting in lieu thereof “November 1”.

SEC. 202. (b) Section 107A(a) of the Agricultural Act of 1949 is amended by striking out “through 1981 crops of wheat,” and inserting in lieu thereof “through 1980 crops of wheat, and not less than $3.00 per bushel for the 1981 crop of wheat,”.

SEC. 202. (c) Section 201(e) of the Agricultural Act of 1949 is amended by inserting the following before the period at the end thereof: “Provided further, That the 1981 crop of soybeans shall be supported through loans and purchases at not less than $5.02 per bushel”.
ADJUSTED PRICE SUPPORT LOAN LEVELS UNDER THE FARMER-HELD RESERVE PROGRAM FOR THE 1980 AND 1981 CROPS OF WHEAT AND FEED GRAINS

SEC. 203. (a) Section 110(b) of the Agricultural Act of 1949 is amended by—

(1) inserting the following before the period at the end of the first sentence: "Provided, That the Secretary shall make available to producers for the 1980 and 1981 crops of wheat and feed grains price support loans under the producer storage program at such levels as the Secretary determines necessary to mitigate the adverse effects of the restrictions on the export of agricultural products to the Union of Soviet Socialist Republics imposed on January 4, 1980, on the market prices producers receive for their crops, but at not less than $3.30 per bushel for wheat, $2.40 per bushel for corn, and such levels for the other feed grains as the Secretary determines are fair and reasonable in relation to the minimum level for corn, taking into consideration, for barley, oats, and rye, the feeding value of the commodity in relation to corn and other factors specified in section 401(b) of this Act and, for grain sorghums, the feeding value and average transportation costs to market of grain sorghums in relation to corn: Provided further, That the levels at which loans for the 1980 and 1981 crops of wheat and feed grains are made available to producers under the preceding proviso shall not be used in determining the levels at which producers may repay loans and redeem commodities prior to the maturity dates of the loans under clause (5) of the second sentence of this subsection, or the levels at which the Secretary may call for the repayment of loans prior to their maturity dates under clause (6) of the second sentence of this subsection"; and

(2) in clause (3) of the second sentence after "except that the Secretary may waive or adjust such interest", inserting a comma and the following: "and the Secretary shall waive such interest on loans made on the 1980 and 1981 crops of wheat and feed grains".

(b) Subsection (a) of this section shall become effective October 1, 1980, and any producers who, prior to such date, receive loans on the 1980 crop of the commodity as computed under the Agricultural Act of 1949, as amended prior to the enactment of this Act, may elect after September 30, 1980, to receive loans as authorized under subsection (a) of this section.

ADJUSTMENT OF THE RELEASE AND CALL LEVELS UNDER THE FARMER-HELD RESERVE PROGRAM

SEC. 204. Section 110(b) of the Agricultural Act of 1949 is amended by amending clauses (5) and (6) of the second sentence to read as follows: "(5) conditions designed to induce producers to redeem and market the wheat or feed grains securing such loans without regard to the maturity dates thereof whenever the Secretary determines that the market price for the commodity has attained a specified level, as determined by the Secretary; and (6) conditions prescribed by the Secretary under which the Secretary may require producers to repay such loans, plus accrued interest thereon, refund amounts paid for storage, and pay such additional interest and other charges as may be required by regulation, whenever the Secretary determines that the market price for the commodity is not less than such appropriate level, as determined by the Secretary."
MINIMUM LEVELS AT WHICH THE COMMODITY CREDIT CORPORATION MAY SELL STOCKS OF WHEAT AND FEED GRAINS

Sec. 205. Section 110(e) of the Agricultural Act of 1949 is amended by—

(1) after “Notwithstanding any other provision of law,”, inserting “except as otherwise provided under section 302 of the Food Security Wheat Reserve Act of 1980 and section 208 of the Agricultural Trade Suspension Adjustment Act of 1980,”;

(2) striking out “150 per centum of the then current level of price support for such commodity” and inserting in lieu thereof “105 per centum of the then current level at which the Secretary may call for repayment of producer storage loans on the commodity prior to the maturity dates of the loans, as determined under clause (6) of the second sentence of subsection (b) of this section”;

and

(3) amending clause (3) to read as follows:

“(3) sales of corn for use in the production of alcohol for motor fuel at facilities that—

“(A) begin operation after January 4, 1980, and

“(B) whenever supplies of corn are not readily available, can produce alcohol from agricultural or forestry biomass feedstocks other than corn, when sold at not less than the price at which producers may repay producer storage loans and redeem corn prior to the maturity dates of loans, as determined under clause (5) of the second sentence of subsection (b) of this section, or, whenever the fuel conversion price (as defined in section 212 of the Agricultural Trade Suspension Adjustment Act of 1980) for corn exceeds such price, at not less than the fuel conversion price.”.

AUTHORITY TO USE THE FUNDS, FACILITIES, AND AUTHORITIES OF THE COMMODITY CREDIT CORPORATION TO PURCHASE AGRICULTURAL PRODUCTS INTENDED TO BE EXPORTED TO THE SOVIET UNION

Sec. 206. Notwithstanding any other provision of law, the Secretary of Agriculture may use, subject to such terms and conditions as the Secretary may deem appropriate, the funds, facilities, and authorities of the Commodity Credit Corporation in purchasing and handling agricultural products, other than grains, that—

(1) were intended to be exported to the Union of Soviet Socialist Republics under contracts entered into prior to January 5, 1980, but

(2) cannot be exported under such contracts due to the imposition, on January 4, 1980, of restrictions on the export of agricultural products to the Union of Soviet Socialist Republics, in the same manner and under the same conditions as the Secretary purchases and handles grains under similar contracts and subject to the imposition of the same restrictions.

SUPPLEMENTAL SET-ASIDE AUTHORITY

Sec. 207. Effective for the 1981 crops of wheat, feed grains, upland cotton, and rice, the Agricultural Act of 1949 is amended by adding at the end of title I a new section 113 as follows:
SUPPLEMENTAL SET-ASIDE AUTHORITY

"Sec. 113. Notwithstanding any other provision of law or prior announcement made by the Secretary to the contrary, effective for one or more of the 1981 crops of wheat, feed grains, upland cotton, and rice, the Secretary may announce and provide for a set-aside of cropland under section 101(h), 103(d)(11), 105A(f), or 107A(f) of this title if the Secretary determines that such action is in the public interest as a result of the imposition of restrictions on the export of any such commodity by the President or other member of the executive branch of Government. In order to carry out effectively a set-aside program authorized under this section, the Secretary may make such modifications and adjustments in such program as the Secretary determines necessary because of any delay in instituting such program."

TRADE SUSPENSION RESERVES

Sec. 208. Notwithstanding any other provision of law—
(a) Whenever the President or other member of the executive branch of Government causes the export of any agricultural commodity to any country or area of the world to be suspended or restricted for reasons of national security or foreign policy under the Export Administration Act of 1979 or any other provision of law and the Secretary of Agriculture determines that such suspension or restriction will result in a surplus supply of such commodity that will adversely affect prices producers receive for the commodity, the Secretary may establish a gasohol feedstock reserve or a food security reserve, or both, of the commodity, as provided in subsections (c) and (d) of this section, if the commodity is suitable for stockpiling in a reserve.

(b) Within thirty days after the export of any agricultural commodity to a country or area is suspended or restricted as described in subsection (a) of this section, the Secretary of Agriculture shall announce whether a gasohol feedstock reserve or a food security reserve, or both, of the commodity, as provided in subsections (c) and (d) of this section, if the commodity is suitable for stockpiling in a reserve.

(c)(1) To establish a gasohol feedstock reserve under this section, the Secretary of Agriculture may acquire agricultural commodities (the export of which is suspended or restricted as described in subsection (a) of this section) that are suitable for use in the production of alcohol for motor fuel through purchases from producers or in the market and by designation by the Secretary of stocks of the commodities held by the Commodity Credit Corporation, and to pay such storage, transportation, and related costs as may be necessary to permit maintenance of the commodities in the reserve for the purposes of this section and disposition of the commodities as provided in paragraph (2) of this subsection.

(2) The Secretary of Agriculture may dispose of stocks of agricultural commodities acquired under paragraph (1) of this subsection only through sale—
(A) for use in the production of alcohol for motor fuel, at not less than the fuel conversion price (as defined in section 212 of
this title) for the commodity involved: Provided, That, for wheat and feed grains, if the fuel conversion price for the commodity involved is less than the then current release price at which producers may repay producer storage loans on the commodity and redeem the commodity prior to the maturity dates of the loans, as determined under clause (5) of the second sentence of section 110(b) of the Agricultural Act of 1949, the Secretary may dispose of stocks of the commodity for such use only through sale at not less than the release price: Provided further, That such sales shall only be made to persons for use in the production of alcohol for motor fuel at facilities that, whenever supplies of the commodity are not readily available, can produce alcohol from other agricultural or forestry biomass feedstocks; or

(B) for any other use, when sales for use under clause (A) of this paragraph are impracticable, (i) if there is a producer storage program in effect for the commodity, at not less than 105 per centum of the then current level at which the Secretary may call for repayment of producer storage loans on the commodity prior to the maturity dates of the loans, as determined under clause (6) of the second sentence of section 110(b) of the Agricultural Act of 1949, or, (ii) if there is no producer storage program in effect for the commodity, at not less than the average market price producers received for the commodity at the time the trade suspension was imposed.

(d)(1) To establish a food security reserve under this section, the Secretary of Agriculture may acquire agricultural commodities (the export of which is suspended or restricted as described in subsection (a) of this section) that are suitable for use in providing emergency food assistance and urgent humanitarian relief through purchases from producers or in the market and by designation by the Secretary of stocks of the commodities held by the Commodity Credit Corporation, and to pay such storage, transportation, and related costs as may be necessary to permit maintenance of the commodities in the reserve for the purposes of this section and disposition of the commodities as provided in paragraph (2) of this subsection.

(2) The provisions of subsections (c), (d), (e), (f), and (g)(2) of section 302 of the Food Security Wheat Reserve Act of 1980 shall apply to commodities in any reserve established under paragraph (1) of this subsection, and (except for the last sentence of subsection (c) of section 302) the references to “wheat” in such subsections of section 302 shall be deemed to be references to “agricultural commodities”.

(3) Any determination by the President or the Secretary of Agriculture under this section shall be final.

(e) The funds, facilities, and authorities of the Commodity Credit Corporation shall be used by the Secretary of Agriculture in carrying out this section, except that any restriction applicable to the acquisition, storage, or disposition of Commodity Credit Corporation owned or controlled commodities shall not apply with respect to the acquisition, storage, or disposition of agricultural commodities under this section.

(f) The Secretary of Agriculture shall establish safeguards to ensure that stocks of agricultural commodities held in the reserves established under this section shall not be used in any manner or under any circumstance to unduly depress, manipulate, or curtail the free market.

(g) Whenever stocks of agricultural commodities are disposed of or released from reserves established under this section, as provided in
subsections (c)(2) and (d)(2) of this section, the reserves may not be replenished with replacement stocks.

(h) The provisions of this section shall become effective with respect to any suspension of, or restriction on, the export of agricultural commodities, as described in subsection (a) of this section, implemented after the date of enactment of this Act.

ALCOHOL PROCESSOR GRAIN RESERVE

Sec. 209. (a) As used in this section—

(1) The term "Secretary" means the Secretary of Agriculture. 

(2) The term "processor" means any person engaged within the United States in the business of manufacturing grain into alcohol for use as a fuel either by itself or in combination with some other product.

(3) The terms "agricultural grain" and "grain" mean any agricultural commodity (A) that is suitable for processing into alcohol for use as a fuel, and (B) with respect to which a price support operation is in effect.

(4) The term "producer storage program" means the producer storage program provided for under section 110 of the Agriculture Act of 1949.

(5) The term "small scale biomass energy project" shall have the same meaning as defined in section 203(19) of the Energy Security Act.

(b) To assist processors in obtaining a dependable supply of grain at reasonable prices, the Secretary may formulate and administer a program under which processors purchasing and storing grain needed by them for manufacturing into alcohol for use as a fuel may obtain a loan from the Secretary on such grain. Loans under this section may be made available only to processors that (1) operate small scale biomass energy projects financed in whole or in part by the United States Government or any agency thereof, and (2) as determined by the Secretary, are otherwise unable to obtain a dependable supply of grain at reasonable prices for use in such projects.

(c) Except as otherwise provided in this section, loans made under this section to carry out the processor grain reserve program may be made on the same terms and conditions as loans made to carry out the producer storage program.

(d) The amount of the loan that the Secretary may make to an eligible processor at any time on any quantity of grain purchased by the processor shall be determined by multiplying the price support loan rate in effect for such grain at the time the loan is made times the quantity of grain purchased by the processor. The quantity of grain on which one or more loans may be outstanding at any time in the case of any processor may not exceed the estimated quantity of grain needed by such processor for one year of operation.

(e) Whenever any quantity of grain stored in the processor grain reserve under this section is removed from storage by a processor, the processor may be required to replace such grain with an equal quantity, within such period of time as the Secretary shall prescribe by regulation, or repay that portion of the loan represented by the quantity of grain removed from storage.

(f) Grain on which an eligible processor has received a loan under this section may not be used for any purpose other than the manufacture of alcohol for use as a fuel, and the Secretary shall establish such safeguards as the Secretary deems necessary to assure that such
Loans.

(g) Loans made under this section shall be made subject to such terms and conditions and subject to such security as the Secretary deems appropriate, except that such loans may not be made as nonrecourse loans.

(h) In carrying out the processor grain reserve program under this section, the Secretary may—

(1) provide for the payment to processors of such amounts as the Secretary determines appropriate to cover the cost of storing grain held in the processor grain reserve, except that in no event may the rate of the payment paid under this clause for any period exceed the rate paid by the Secretary under the producer storage program for the same period; and

(2) prescribe conditions under which the Secretary may require processors to repay loans made under this section, plus accrued interest thereon, refund amounts paid to the processors for storage, and require the processors to pay such additional interest and other charges as may be required by regulation in the event any processor fails to abide by the terms and conditions of the loan or any regulation prescribed under this section.

(i) The Secretary shall announce the terms and conditions of the processor grain reserve program as far in advance of making loans as practicable.

(j) The Secretary may use the facilities of the Commodity Credit Corporation to carry out this section.

(k) There are authorized to be appropriated such sums as may be necessary to carry out this section. Any loans made under this section shall be made to such extent and such amounts as provided in appropriation Acts. The authority to make loans under this section shall expire five years after the effective date of this title.

STUDY OF THE POTENTIAL FOR EXPANSION OF UNITED STATES AGRICULTURAL EXPORT MARKETS AND THE USE OF AGRICULTURAL EXPORTS IN OBTAINING NEEDED MATERIALS

Sec. 210. (a) The Secretary of Agriculture, in consultation with the United States Trade Representative and any other appropriate agency of the United States Government as determined by the Secretary, shall perform a study of the potential for expansion of United States agricultural export markets and the use of agricultural exports in obtaining natural resources or other commodities and products needed by the United States. The Secretary shall complete the study and submit to the President and Congress a report on the study before June 30, 1981.

(b) In performing the study, the Secretary shall determine for the next five years—

(1) world food, feed, and fiber needs;

(2) estimated United States and world food, feed, and fiber production capabilities;

(3) potential new or expanded foreign markets for United States agricultural products;

(4) the potential for the development of international agreements for the exchange of United States agricultural products for natural resources, including energy sources, or other commodities and products needed by the United States; and
(5) the steps that the United States must take to (A) increase 
agricultural export trade, and (B) obtain needed natural 
resources or other commodities and products in exchange for 
agricultural products, to the maximum extent feasible.

FOOD BANK DEMONSTRATION PROJECTS

SEC. 211. (a) The Secretary of Agriculture shall carry out demon-
stration projects to provide agricultural commodities and other foods 
that might not otherwise be used, or might be more effectively used 
by organizations assisted under this section, to community food banks 
for emergency food box distribution to needy individuals and families. Notwithstanding any other provisions of law, the Secretary shall make available for purposes of such demonstration projects, agricultural commodities and other foods available to the Secretary under section 416 of the Agricultural Act of 1949, section 709 of the Food and Agriculture Act of 1965, and section 32 of the Act of August 24, 1935 (7 U.S.C. 612c). For purposes of distributing agricultural commodities and other foods to community food banks under this section, the Secretary may, in consultation with State agencies, use food distribution systems currently used to distribute agricultural commodities and other foods under the National School Lunch Act and Child Nutrition Act of 1966. The Secretary shall select food banks, in consultation with the Director of the Community Services Administration, for participation in the demonstration projects under this section. Food banks shall be selected for participation so as to ensure adequate geographic distribution of emergency food box programs in at least two but not more than seven Department of Agriculture regions.

(b)(1) No food bank may participate in the demonstration projects conducted under this section unless an application therefor is submitted to and approved by the Secretary. Such application shall be submitted in such form and manner and shall contain such information as the Secretary shall prescribe.

(2) Each food bank participating in the demonstration projects under this section shall establish a recordkeeping system and internal procedures to monitor the use of agricultural commodities and other foods provided under this section. The Secretary shall develop standards by which the feasibility and effectiveness of the projects shall be measured, and shall conduct an ongoing review of the effectiveness of the projects.

(c) The Secretary shall determine the quantities and types of agricultural commodities and other foods to be made available under this section. The Secretary may prescribe regulations regarding the designation of eligible participants in the projects and any other regulations necessary to carry out this section.

(d) The Secretary shall submit a report to Congress on October 1, 1982, regarding the demonstration projects carried out under this section. Such report shall include an analysis and evaluation of Federal participation in food bank emergency food programs, the effectiveness of such participation, and the feasibility of continuing such participation. The Secretary shall also include in such report any recommendations regarding improvements in Federal assistance to community food banks, including assistance for administrative expenses and transportation.

(e) The sale of food provided under this section shall be prohibited and any person who receives any remuneration in exchange for food

7 USC 4004.
7 USC 1431.
7 USC 1446a-1.
42 USC 1751 note.
42 USC 1771 note.
Applications.
Recordkeeping and review.
Report to Congress.
Food sales, prohibition.
Appropriation authorization.

7 USC 4005.

DEFINITION OF FUEL CONVERSION PRICE

SEC. 212. As used in this title, the phrase "fuel conversion price" means the price for an agricultural commodity determined by the Secretary of Agriculture that will permit gasoline-alcohol mixtures using alcohol produced from the commodity to be competitive in price with unleaded gasoline priced at the point it leaves the refinery, adjusted for differences in octane rating, taking into consideration the energy value of the commodity and other appropriate values designed to represent, on a national average basis, the value of byproducts also recoverable from the commodity; the direct costs and capital recovery costs for a grain alcohol distillery capable of producing forty million gallons of alcohol and recovering byproducts annually; and Federal tax and other Federal incentives applicable to alcohol used for fuel.

EFFECTIVE DATE

SEC. 213. Except as otherwise provided herein, this title shall become effective October 1, 1980, or the date of enactment, whichever is later.

TITLE III—FOOD SECURITY WHEAT RESERVE ACT OF 1980

SHORT TITLE

SEC. 301. This title may be cited as the "Food Security Wheat Reserve Act of 1980".

FOOD SECURITY WHEAT RESERVE

SEC. 302. (a) To provide for a wheat reserve solely for emergency humanitarian food needs in developing countries, the President shall establish a reserve stock of wheat of up to four million metric tons for use for the purposes specified in subsection (c) of this section.

(b)(1) The reserve stock of wheat under this section shall be established initially by designation for that purpose by the Secretary of Agriculture of wheat owned by the Commodity Credit Corporation.

(2) Subject to the provisions of subsection (i) of this section, stocks of wheat to replenish the reserve may be acquired (A) through purchases from producers or in the market if the Secretary of Agriculture determines that such purchases will not unduly disrupt the market, and (B) by designation by the Secretary of stocks of wheat otherwise acquired by the Commodity Credit Corporation. Any use of funds to acquire wheat through purchases from producers or in the market to replenish the reserve must be authorized in appropriation Acts.

(c) Notwithstanding any other provision of law, stocks of wheat designated or acquired for the reserve under this section may be released by the President to provide, on a donation or sale basis, emergency food assistance to developing countries at any time that the domestic supply of wheat is so limited that quantities of wheat cannot be made available for disposition under the Agricultural Trade Development and Assistance Act of 1954, except for urgent humanitarian purposes, under the criteria of section 401(a) of that Act. Notwithstanding the provisions of the preceding sentence, up to
three hundred thousand metric tons of wheat may be released from the reserve under this section in any fiscal year, without regard to the domestic supply situation, for use under title II of the Agricultural Trade Development and Assistance Act of 1954 in providing urgent humanitarian relief in any developing country suffering a major disaster, as determined by the President, whenever the wheat needed for relief cannot be programmed for such purpose in a timely manner under the normal means of obtaining commodities for food assistance due to circumstances of unanticipated and exceptional need. Wheat released from the reserve may be processed in the United States and shipped to a developing country in the form of flour when conditions in the recipient country require such processing in the United States.

(d) Wheat released from the reserve for the purposes of subsection (c) of this section shall be made available under the Agricultural Trade Development and Assistance Act of 1954 to meet famine or other urgent or extraordinary relief requirements, except that section 401(a) of that Act, with respect to determinations of availability, shall not be applicable thereto.

(e) The Secretary of Agriculture shall provide for the management of stocks of wheat in the reserve as to location and class of wheat needed to meet emergency situations and for the periodic rotation of stocks of wheat in the reserve to avoid spoilage and deterioration of such stocks, using programs authorized by the Agricultural Trade Development and Assistance Act of 1954 and any other provision of law, but any quantity of wheat removed from the reserve for the purposes of this subsection shall be promptly replaced with an equivalent quantity of wheat.

(f) Stocks of wheat in the reserve shall not be considered a part of the total domestic supply (including carryover) for the purposes of subsection (c) of this section or for the purposes of administering the Agricultural Trade Development and Assistance Act of 1954 and shall not be subject to any quantitative limitations on exports that may be imposed under section 7 of the Export Administration Act of 1979.

(g)(1) The funds, facilities, and authorities of the Commodity Credit Corporation shall be used by the Secretary of Agriculture in carrying out this section, except that any restriction applicable to the acquisition, storage, or disposition of Commodity Credit Corporation owned or controlled commodities shall not apply with respect to the acquisition, storage, or disposal of wheat for or in the reserve.

(2) Effective beginning October 1, 1981, the Commodity Credit Corporation shall be reimbursed from funds made available for carrying out the Agricultural Trade Development and Assistance Act of 1954 for wheat released from the reserve that is made available under such Act, such reimbursement to be made on the basis of actual costs incurred by the Commodity Credit Corporation with respect to such wheat or the export market price of wheat (as determined by the Secretary) as of the time the wheat is released from the reserve for such purpose, whichever is lower. Such reimbursement may be made from funds appropriated for that purpose in subsequent years.

(h) Any determination by the President or the Secretary of Agriculture under this section shall be final.

(i) The authority to replace stocks of wheat to maintain the reserve under this section shall expire September 30, 1985, after which stocks released from the reserve may not be replenished. Stocks of wheat remaining in the reserve after September 30, 1985, shall be disposed of by release for use in providing for emergency food needs in developing countries as provided in this section.
Sec. 303. Except as otherwise provided herein, this title shall become effective October 1, 1980, or the date of enactment, whichever is later.

Approved December 3, 1980.