

103D CONGRESS
1ST SESSION

S. 940

To amend the Agricultural Trade Act of 1978 to make modifications in the market promotion program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 12 (legislative day, APRIL 19), 1993

Mr. LEAHY introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the Agricultural Trade Act of 1978 to make modifications in the market promotion program, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Agricultural Market
5 Promotion Program Amendments Act of 1993”.

6 **SEC. 2. MODIFICATIONS TO MARKET PROMOTION PRO-**
7 **GRAM.**

8 (a) SMALL-SIZED COMMERCIAL ENTITIES AND ME-
9 DIUM-SIZED COMMERCIAL ENTITIES THAT ARE BEGIN-

1 NING EXPORTERS.—Section 203(c) of the Agricultural
2 Trade Act of 1978 (7 U.S.C. 5623(c)) is amended—

3 (1) in paragraph (2), by striking “in the case
4 of an unfair trade practice” and inserting “in the
5 case of—

6 “(A) an unfair trade practice; or

7 “(B) a small-sized commercial entity, or a
8 medium-sized commercial entity, that is a be-
9 ginning exporter, as determined by the Sec-
10 retary.”; and

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

13 “(3) GOAL FOR SMALL-SIZED COMMERCIAL EN-
14 TITIES AND MEDIUM-SIZED COMMERCIAL ENTITIES
15 THAT ARE BEGINNING EXPORTERS.—In carrying out
16 the program established under this section, the Sec-
17 retary shall use, to the maximum extent practicable,
18 at least 30 percent of the total funds available or 30
19 percent of the value of any commodities employed,
20 as determined by the Secretary, for each of fiscal
21 years 1994 and 1995 for program activities involv-
22 ing small-sized commercial entities, and medium-
23 sized commercial entities, that are beginning export-
24 ers.”.

1 (b) BRANDED PROMOTION.—Section 203(e)(4) of
2 such Act is amended by adding at the end the following
3 new sentence: “Assistance provided under this paragraph
4 may be used only for market promotion activities that are
5 in addition to activities for which a commercial entity ex-
6 pends an amount during a year in a foreign country, in
7 United States dollars adjusted to reflect the latest
8 Consumer Price Index for all-urban consumers published
9 by the Department of Labor, that is equal to the dollar
10 amount expended by the commercial entity (other than
11 amounts provided under this section) on all market pro-
12 motion activities during the preceding year in the foreign
13 country.”.

14 (c) OTHER TERMS AND CONDITIONS.—Section
15 203(f) of such Act is amended by adding at the end the
16 following new paragraphs:

17 “(4) INDEPENDENT AUDITS.—In addition to an
18 audit that is required by section 403, the Secretary
19 shall require that, as a condition of eligibility for as-
20 sistance under this section, a commercial entity that
21 receives more than \$50,000 a year in assistance
22 under this section shall provide for an independent
23 audit of program activities under this section during
24 the year to determine whether the entity has com-
25 plied with the requirements of this section.

1 “(5) PROHIBITION ON ASSISTANCE FOR TO-
2 BACCO.—No assistance under this section may be
3 used for the development, maintenance, or expansion
4 of a commercial export market for tobacco.

5 “(6) DEFINITIONS.—As used in this section:

6 “(A) COMMERCIAL ENTITY.—The term
7 ‘commercial entity’ means a cooperative or pri-
8 vate organization that exports or promotes an
9 agricultural commodity, including an entity that
10 controls, is controlled by, or is under common
11 control with such a cooperative or private orga-
12 nization.

13 “(B) MEDIUM-SIZED COMMERCIAL EN-
14 TITY.—The term ‘medium-sized commercial en-
15 tity’ means a commercial entity that employs
16 not less than 51, nor more than 500, individ-
17 uals.

18 “(C) SMALL-SIZED COMMERCIAL EN-
19 TITY.—The term ‘small-sized commercial entity’
20 means a commercial entity that employs not
21 more than 50 individuals.”.

22 (d) GRADUATION.—Paragraph (2) of section 203(g)
23 of such Act is amended to read as follows:

24 “(2) LIMITATIONS.—

25 “(A) BRANDED PROMOTION.—

1 “(i) IN GENERAL.—Assistance pro-
2 vided under this section to a commercial
3 entity for activities described in subsection
4 (e)(4) that are conducted in a foreign
5 country—

6 “(I) during each year of the first
7 3-year period the commercial entity
8 receives assistance for the activities,
9 shall not exceed 50 percent of the cost
10 of implementing the marketing plan in
11 the country;

12 “(II) during the 4th year of the
13 period the commercial entity receives
14 assistance for the activities, shall not
15 exceed 33 percent of the cost of imple-
16 menting the marketing plan in the
17 country; and

18 “(III) during the 5th year of pe-
19 riod the commercial entity receives as-
20 sistance for the activities, shall not ex-
21 ceed 17 percent of the cost of imple-
22 menting the marketing plan in the
23 country.

24 “(ii) MAXIMUM PERIOD.—Assistance
25 provided under this section to a commer-

1 cial entity for activities described in sub-
2 section (e)(4) that are conducted in a for-
3 foreign country shall not be provided for more
4 than 5 years.

5 “(B) GENERIC PROMOTION.—

6 “ (i) IN GENERAL.—To be eligible for
7 assistance under this section (other than
8 for activities described in subsection (e)(4)
9 or clause (iii)), an eligible trade organiza-
10 tion shall contribute a larger share of the
11 cost of a marketing plan for a foreign
12 country in each year the organization con-
13 ducts activities in the country, as deter-
14 mined by the Secretary.

15 “ (ii) MAXIMUM PERIOD.—The non-
16 federal share shall be progressively in-
17 creased in such a manner that an eligible
18 trade organization shall not receive assist-
19 ance under this section in the country for
20 more than 5 years.

21 “ (iii) REGIONAL STATE-RELATED
22 TRADE ORGANIZATIONS.—Assistance may
23 be provided under this section for a period
24 not to exceed 5 years for each agricultural
25 commodity for which an eligible regional

1 State-related organization has an approved
2 marketing place for an activity, other than
3 for an activity described in subsection
4 (e)(4).

5 “(C) WAIVER.—The Secretary may waive
6 the limitations described in subparagraphs (A)
7 and (B) in the case of an agricultural commod-
8 ity with respect to which there has been a fa-
9 vorable decision by the United States Trade
10 Representative under section 301 of the Trade
11 Act of 1974 (19 U.S.C. 2411). To grant waiv-
12 ers, the Secretary shall establish criteria that
13 are consistent and documented.”.

14 **SEC. 3. COOPERATOR FOREIGN MARKET DEVELOPMENT**
15 **PROGRAM.**

16 Section 1126(b) of the Food Security Act of 1985
17 (7 U.S.C. 1736u(b)) is amended by striking “shall be”
18 and inserting “shall not be”.

19 **SEC. 4. EFFECTIVE DATE; REGULATIONS.**

20 (a) EFFECTIVE DATE.—This Act and the amend-
21 ments made by this Act shall become effective on the date
22 of enactment of this Act.

23 (b) REGULATIONS.—Not later than 60 days after the
24 date of enactment of this Act, the Secretary of Agriculture

1 shall issue regulations to carry out this Act and the
2 amendments made by this Act.

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