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To reduce target prices for wheat, feed grains, rice, and cotton, to provide for the termination of deficiency payments and marketing loans for these crops, to abandon the use of acreage reduction programs regarding these crops, to prohibit the provision of deficiency payments for acreage diverted from these crops, to impose income limitations on participation in programs regarding these crops, and to limit Commodity Credit Corporation outlays on behalf of these crops.

IN THE HOUSE OF REPRESENTATIVES

JULY 11, 1995

Mr. ZIMMER (for himself, Mr. SCHUMER, Mr. MILLER of Florida, Mr. FRANK of Massachusetts, Mr. SHAYS, Mr. JACOBS, Mr. PORTER, Mr. ROHRABACHER, Mr. ANDREWS, Mr. SAXTON, Mr. MEEHAN, Mr. SALMON, Mr. FRANKS of New Jersey, Mr. GREENWOOD, Mr. HORN, Mr. ENSIGN, and Mr. FRELINGHUYSEN) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To reduce target prices for wheat, feed grains, rice, and cotton, to provide for the termination of deficiency payments and marketing loans for these crops, to abandon the use of acreage reduction programs regarding these crops, to prohibit the provision of deficiency payments for acreage diverted from these crops, to impose income limitations on participation in programs regarding these crops, and to limit Commodity Credit Corporation outlays on behalf of these crops.

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 “Farm Freedom Act
5 of 1995”.

6 **SEC. 2. REDUCTION IN TARGET PRICES AND TERMINATION**
7 **OF DEFICIENCY PAYMENTS AND MARKETING**
8 **LOANS FOR WHEAT, FEED GRAINS, RICE, AND**
9 **COTTON.**

10 (a) WHEAT.—

11 (1) REDUCTION IN TARGET PRICES.—In the
12 case of any price support program for wheat admin-
13 istered by the Secretary of Agriculture, the estab-
14 lished price for wheat for a crop year shall not ex-
15 ceed—

16 (A) for the 1996 crop of wheat, \$3.84 per
17 bushel; and

18 (B) for the 1997 through 2000 crops of
19 wheat, an amount that is four percent less than
20 the established price for wheat for the preced-
21 ing crop year.

22 (2) TERMINATION OF DEFICIENCY PAYMENT
23 AND MARKETING LOANS.—Notwithstanding any
24 other provision of law, for the 2001 and subsequent
25 crops of wheat, the Secretary of Agriculture shall

1 not make deficiency payments available to producers
2 of wheat or permit producers to repay a price sup-
3 port loan at a rate below the original loan rate.

4 (b) CORN.—

5 (1) REDUCTION IN TARGET PRICES.—In the
6 case of any price support program for corn adminis-
7 tered by the Secretary of Agriculture, the established
8 price for corn for a crop year shall not exceed—

9 (A) for the 1996 crop of corn, \$2.64 per
10 bushel; and

11 (B) for the 1997 through 2000 crops of
12 corn, an amount that is four percent less than
13 the established price for corn for the preceding
14 crop year.

15 (2) TERMINATION OF DEFICIENCY PAYMENT
16 AND MARKETING LOANS.—Notwithstanding any
17 other provision of law, for the 2001 and subsequent
18 crops of corn, the Secretary of Agriculture shall not
19 make deficiency payments available to producers of
20 corn or permit producers to repay a price support
21 loan at a rate below the original loan rate.

22 (c) OATS.—

23 (1) REDUCTION IN TARGET PRICES.—In the
24 case of any price support program for oats adminis-

1 tered by the Secretary of Agriculture, the established
2 price for oats for a crop year shall not exceed—

3 (A) for the 1996 crop of oats, \$1.39 per
4 bushel; and

5 (B) for the 1997 through 2000 crops of
6 oats, an amount that is four percent less than
7 the established price for oats for the preceding
8 crop year.

9 (2) TERMINATION OF DEFICIENCY PAYMENT
10 AND MARKETING LOANS.—Notwithstanding any
11 other provision of law, for the 2001 and subsequent
12 crops of oats, the Secretary of Agriculture shall not
13 make deficiency payments available to producers of
14 oats or permit producers to repay a price support
15 loan at a rate below the original loan rate.

16 (d) GRAIN SORGHUMS.—

17 (1) REDUCTION IN TARGET PRICES.—In the
18 case of any price support program for grain sor-
19 ghums administered by the Secretary of Agriculture,
20 the established price for grain sorghums for a crop
21 year shall not exceed—

22 (A) for the 1996 crop of grain sorghums,
23 \$2.51 per bushel; and

24 (B) for the 1997 through 2000 crops of
25 grain sorghums, an amount that is four percent

1 less than the established price for grain sor-
2 ghums for the preceding crop year.

3 (2) TERMINATION OF DEFICIENCY PAYMENT
4 AND MARKETING LOANS.—Notwithstanding any
5 other provision of law, for the 2001 and subsequent
6 crops of grain sorghums, the Secretary of Agri-
7 culture shall not make deficiency payments available
8 to producers of grain sorghums or permit producers
9 to repay a price support loan at a rate below the
10 original loan rate.

11 (e) BARLEY.—

12 (1) REDUCTION IN TARGET PRICES.—In the
13 case of any price support program for barley admin-
14 istered by the Secretary of Agriculture, the estab-
15 lished price for barley for a crop year shall not ex-
16 ceed—

17 (A) for the 1996 crop of barley, \$2.27 per
18 bushel; and

19 (B) for the 1997 through 2000 crops of
20 barley, an amount that is four percent less than
21 the established price for barley for the preced-
22 ing crop year.

23 (2) TERMINATION OF DEFICIENCY PAYMENT
24 AND MARKETING LOANS.—Notwithstanding any
25 other provision of law, for the 2001 and subsequent

1 crops of barley, the Secretary of Agriculture shall
2 not make deficiency payments available to producers
3 of barley or permit producers to repay a price sup-
4 port loan at a rate below the original loan rate.

5 (f) RICE.—

6 (1) REDUCTION IN TARGET PRICES.—In the
7 case of any price support program for rice adminis-
8 tered by the Secretary of Agriculture, the established
9 price for rice for a crop year shall not exceed—

10 (A) for the 1996 crop of rice, \$10.28 per
11 hundredweight; and

12 (B) for the 1997 through 2000 crops of
13 rice, an amount that is four percent less than
14 the established price for rice for the preceding
15 crop year.

16 (2) TERMINATION OF DEFICIENCY PAYMENT
17 AND MARKETING LOANS.—Notwithstanding any
18 other provision of law, for the 2001 and subsequent
19 crops of rice, the Secretary of Agriculture shall not
20 make deficiency payments available to producers of
21 rice or permit producers to repay a price support
22 loan at a rate below the original loan rate.

23 (g) UPLAND COTTON.—

24 (1) REDUCTION IN TARGET PRICES.—In the
25 case of any price support program for upland cotton

1 administered by the Secretary of Agriculture, the es-
2 tablished price for upland cotton for a crop year
3 shall not exceed—

4 (A) for the 1996 crop of upland cotton,
5 \$0.70 per hundredweight; and

6 (B) for the 1997 through 2000 crops of
7 upland cotton, an amount that is four percent
8 less than the established price for upland cotton
9 for the preceding crop year.

10 (2) TERMINATION OF DEFICIENCY PAYMENT
11 AND MARKETING LOANS.—Notwithstanding any
12 other provision of law, for the 2001 and subsequent
13 crops of upland cotton, the Secretary of Agriculture
14 shall not make deficiency payments available to pro-
15 ducers of upland cotton or permit producers to repay
16 a price support loan at a rate below the original loan
17 rate.

18 (h) EXTRA LONG STAPLE COTTON.—

19 (1) REDUCTION IN TARGET PRICES.—In the
20 case of any price support program for extra long
21 staple cotton administered by the Secretary of Agri-
22 culture, the established price for extra long staple
23 cotton for a crop year shall not exceed—

24 (A) for the 1996 crop of extra long staple
25 cotton, \$0.918 per hundredweight; and

1 (B) for the 1997 through 2000 crops of
2 extra long staple cotton, an amount that is four
3 percent less than the established price for extra
4 long staple cotton for the preceding crop year.

5 (2) TERMINATION OF DEFICIENCY PAYMENT
6 AND MARKETING LOANS.—Notwithstanding any
7 other provision of law, for the 2001 and subsequent
8 crops of extra long staple cotton, the Secretary of
9 Agriculture shall not make deficiency payments
10 available to producers of extra long staple cotton or
11 permit producers to repay a price support loan at a
12 rate below the original loan rate.

13 (i) FUTURE REPEAL OF CURRENT PROVISIONS RE-
14 GARDING PRICE SUPPORT.—Effective October 1, 2000,
15 the following provisions of the Agricultural Act of 1949,
16 if still in effect on such date, are repealed:

17 (1) Section 101 (7 U.S.C. 1441) regarding
18 price support levels generally.

19 (2) Section 101B (7 U.S.C. 1441–2) regarding
20 loans, deficiency payments, and acreage reduction
21 programs for rice.

22 (3) Section 103(h) (7 U.S.C. 1444(h)) regard-
23 ing loans, deficiency payments, and acreage reduc-
24 tion programs for extra long staple cotton.

1 (4) Section 103B (7 U.S.C. 1444–2) regarding
2 loans, deficiency payments, and acreage reduction
3 programs for upland cotton.

4 (5) Section 105B (7 U.S.C. 1444f) regarding
5 loans, deficiency payments, and acreage reduction
6 programs for feed grains.

7 (6) Section 107B (7 U.S.C. 1445–3a) regarding
8 loans, deficiency payments, and acreage reduction
9 programs for wheat.

10 (7) Any similar provisions of law, enacted after
11 the date of the enactment of this Act, relating to
12 loans, deficiency payments, and acreage reduction
13 programs for the crops referred to in the preceding
14 paragraphs.

15 **SEC. 3. ABANDONMENT OF ACREAGE REDUCTION PRO-**
16 **GRAMS AND 0/85 AND 50/85 PROGRAMS.**

17 (a) ABANDONMENT.—The Agricultural Act of 1949
18 is amended by inserting after section 115 (7 U.S.C.
19 1445k) the following new section:

20 **“SEC. 116. ABANDONMENT OF RELIANCE ON ACREAGE RE-**
21 **DUCTION PROGRAMS AND 0/85 AND 50/85 PRO-**
22 **GRAMS AFTER THE 1998 CROP YEAR.**

23 “(a) ZERO PERCENTAGE ARP.—Beginning with the
24 1999 crops of rice, cotton, feed grains, and wheat, in oper-
25 ating any acreage reduction program on the production

1 of such crops, the Secretary shall impose a uniform per-
2 centage reduction of zero percent to the applicable crop
3 acreage base.

4 “(b) EFFECT ON 0/85 AND 50/85 PROGRAMS.—Be-
5 cause operation of the 0/85 and 50/85 programs for rice,
6 cotton, feed grains, and wheat for a crop year are condi-
7 tioned on implementation of an acreage reduction program
8 for that crop year, the Secretary shall not conduct 0/85
9 and 50/85 programs for such crops after the 1998 crop
10 year.

11 “(c) DEFINITIONS.—For purposes of this section:

12 “(1) The term ‘feed grains’ means corn, oats,
13 grain sorghums, and barley.

14 “(2) The term ‘acreage reduction program’
15 means a program to reduce the crop acreage base
16 for rice, cotton, feed grains, or wheat by an an-
17 nounced acreage reduction requirement, in the man-
18 ner provided by—

19 “(A) section 107B(e) of this Act, in the
20 case of wheat;

21 “(B) section 105B(e) of this Act, in the
22 case of feed grains;

23 “(C) section 103(h) of this Act, in the case
24 of extra long staple cotton;

1 “(D) section 103B(e) of this Act, in the
2 case of upland cotton; and

3 “(E) section 101B(e) of this Act, in the
4 case of rice.

5 “(3) The term ‘0/85 and 50/85 programs’
6 means a program that authorizes deficiency pay-
7 ments on a certain percentage of the maximum pay-
8 ment acres of a program crop even though the crop
9 is not actually planted on such acres, in the manner
10 provided by—

11 “(A) section 107B(c)(1)(E) of this Act, in
12 the case of wheat;

13 “(B) section 105B(c)(1)(E) of this Act, in
14 the case of feed grains;

15 “(C) section 103B(c)(1)(D) of this Act, in
16 the case of upland cotton; and

17 “(D) section 101B(c)(1)(D) of this Act, in
18 the case of rice.”.

19 (b) PRESERVATION OF FLEX ACRE PLANTING
20 FLEXIBILITY.—Beginning with the 1999 crops of rice,
21 cotton, feed grains, and wheat, the Secretary of Agri-
22 culture may not impose any restriction on the types of
23 crops a producer may plant on that percentage of the pro-
24 ducer’s crop acreage base that is excluded from payment
25 acres and ineligible for target price deficiency payments.

1 **SEC. 4. INCOME LIMITATIONS ON PARTICIPATION IN COM-**
2 **MODITY PRICE SUPPORT PROGRAMS.**

3 (a) INCOME LIMITATIONS ON PARTICIPATION.—Sec-
4 tion 1001 of the Food Security Act of 1985 (7 U.S.C.
5 1308) is amended by adding at the end the following new
6 paragraph:

7 “(8) ADJUSTED GROSS INCOME LIMITATION.—

8 “(A) LIMITATION.—Subject to subparagraph
9 (B), a person who has an adjusted gross income, as
10 defined in section 62 of the Internal Revenue Code
11 of 1986 (26 U.S.C. 62), of more than \$100,000 an-
12 nually shall not be eligible to receive deficiency pay-
13 ments and land diversion payments described in
14 paragraph (1) or other payments described in para-
15 graph (2)(B).

16 “(B) EXCLUSION OF CERTAIN REVENUE.—Rev-
17 enues from the farming, ranching, and forestry oper-
18 ations of a person shall be excluded from the cal-
19 culation of the person’s adjusted gross income under
20 subparagraph (A).”.

21 (b) APPLICATION.—The amendment made by sub-
22 section (a) shall apply to crop years beginning after the
23 date of the enactment of this Act.

1 **SEC. 5. REDUCTION IN TOTAL AMOUNT OF AUTHORIZED**
2 **DEFICIENCY PAYMENTS AND ACREAGE DI-**
3 **VERSION PAYMENTS.**

4 (a) \$10,000 REDUCTION.—Section 1001(1)(A) of the
5 Food Security Act of 1985 (7 U.S.C. 1308) is amended
6 by striking “\$50,000” and inserting “\$40,000”.

7 (b) APPLICATION.—The amendment made by sub-
8 section (a) shall apply to crop years beginning after the
9 date of the enactment of this Act.

10 **SEC. 6. BUDGETARY LIMITATIONS ON OUTLAYS FOR DEFICI-**
11 **ENCY PAYMENTS FOR WHEAT, FEED,**
12 **GRAINS, RICE, AND COTTON.**

13 (a) LIMITATION.—The total Commodity Credit Cor-
14 poration outlays for deficiency payments for wheat, feed,
15 grains, rice and cotton for the crop year 1996 through
16 2000 may not exceed—

17 (1) for fiscal year 1996, 88 percent of the pro-
18 jected Congressional Budget Office baseline of
19 \$6,556,000,000;

20 (2) for fiscal year 1997, 70 percent of the pro-
21 jected Congressional Budget Office baseline of
22 \$6,525,000,000;

23 (3) for fiscal year 1998, 53 percent of the pro-
24 jected Congressional Budget Office baseline of
25 \$6,936,000,000;

1 (4) for fiscal year 1999, 40 percent of the pro-
2 jected Congressional Budget Office baseline of
3 \$6,921,000,000;

4 (5) for fiscal year 2000, 23 percent of the pro-
5 jected Congressional Budget Office baseline of
6 \$6,671,000,000;

7 (b) PRORATION OF PAYMENTS.—In any crop year be-
8 fore deficiency payments are terminated under section 2,
9 if the total Commodity Credit Corporation obligations for
10 such payments are projected to exceed the applicable
11 spending limit specified in subsection (a), the Secretary
12 of Agriculture shall prorate deficiency payments to recipi-
13 ents to meet such spending limit.

14 **SEC. 7. SENSE OF CONGRESS REGARDING INCLUSION OF**
15 **AGRICULTURAL COMMODITIES AND PROD-**
16 **UCTS IN TRADE EMBARGOES.**

17 It is the sense of Congress that trade embargoes,
18 which include agricultural commodities and products pro-
19 duced in the United States among the prohibited items,
20 should not used as a tool of United States foreign policy
21 unless the embargo is directed against a country, the gov-
22 ernment of which the Secretary of State has determined,
23 for purposes of section 6(j)(1) of the Export Administra-
24 tion Act of 1979 (50 U.S.C. App. 2405(6)(j)(1)), has re-

1 peatedly provided support for acts of international terror-
2 ism.

3 **SEC. 8. REPORT ON FEASIBILITY OF PRIVATE REVENUE IN-**
4 **SURANCE.**

5 Not later than six months after the date of the enact-
6 ment of this Act, the Secretary of Agriculture shall submit
7 to Congress a report evaluating the feasibility of using rev-
8 enue insurance for agricultural producers provided
9 through the private sector as an alternative to the contin-
10 ued use of price support loans, deficiency payments, and
11 other methods to provide income support to producers.

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