

105TH CONGRESS
2D SESSION

H. R. 4535

To provide relief for agricultural producers devastated by low commodity prices and adverse weather conditions.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 9, 1998

Mr. WATKINS introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To provide relief for agricultural producers devastated by low commodity prices and adverse weather conditions.

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 “Emergency Drought
5 Relief Act of 1998”.

6 **SEC. 2. LOAN RATES FOR MARKETING ASSISTANCE LOANS**
7 **FOR CERTAIN CROPS.**

8 (a) WHEAT.—Subsection (a) of section 132 of the
9 Agricultural Market Transition Act (7 U.S.C. 7232) is

1 amended by striking paragraph (1) and inserting the fol-
2 lowing new paragraph:

3 “(1) LOAN RATE.—Subject to paragraph (2),
4 the loan rate for a marketing assistance loan under
5 section 131 for wheat shall be equal to not less than
6 85 percent of the simple average price received by
7 producers of wheat, as determined by the Secretary,
8 during the marketing years for the immediately pre-
9 ceding 5 crops of wheat, excluding the year in which
10 the average price was the highest and the year in
11 which the average price was the lowest in the pe-
12 riod.”.

13 (b) FEED GRAINS.—Subsection (b) of such section
14 is amended by striking paragraph (1) and inserting the
15 following new paragraph:

16 “(1) LOAN RATE FOR CORN.—Subject to para-
17 graph (2), the loan rate for a marketing assistance
18 loan under section 131 for corn shall be equal to not
19 less than 85 percent of the simple average price re-
20 ceived by producers of corn, as determined by the
21 Secretary, during the marketing years for the imme-
22 diately preceding 5 crops of corn, excluding the year
23 in which the average price was the highest and the
24 year in which the average price was the lowest in the
25 period.”.

1 (c) UPLAND COTTON.—Subsection (c)(2) of such sec-
2 tion is amended by striking “or more than \$0.5192 per
3 pound”.

4 (d) EXTRA LONG STAPLE COTTON.—Subsection (d)
5 of such section is amended to read as follows:

6 “(d) EXTRA LONG STAPLE COTTON.—The loan rate
7 for a marketing assistance loan under section 131 for
8 extra long staple cotton shall be equal to not less than
9 85 percent of the simple average price received by produc-
10 ers of extra long staple cotton, as determined by the Sec-
11 retary, during 3 years of the 5-year period ending July
12 31 of the year preceding the year in which the crop is
13 planted, excluding the year in which the average price was
14 the highest and the year in which the average price was
15 the lowest in the period.”.

16 (e) OILSEEDS.—Subsection (f) of such section is
17 amended—

18 (1) in paragraph (1)(B), by striking “or more
19 than \$5.26”; and

20 (2) in paragraph (2)(B), by striking “or more
21 than \$0.093”.

22 **SEC. 3. COST-SHARE ASSISTANCE FOR AGRICULTURAL**
23 **PRODUCERS PERFORMING CERTAIN**
24 **DROUGHT ALLEVIATION PROJECTS.**

25 (a) DEFINITIONS.—In this section:

1 (1) DESIGNATED DISASTER AREA.—The term
2 “designated disaster area” means an area that is
3 covered by a Presidential declaration of major disaster
4 issued under section 401 of the Robert T. Stafford
5 Disaster Relief and Emergency Assistance Act
6 (42 U.S.C. 5170) or determined to be a disaster
7 area by the Secretary of Agriculture under subpart
8 A of part 1945 of title 7, Code of Federal Regula-
9 tions, if the basis for the Presidential declaration or
10 Secretarial determination is at least in part the re-
11 sult of drought conditions in the area.

12 (2) ELIGIBLE LAND.—The term “eligible land”
13 means agricultural land, including cropland, range-
14 land, pasture, and other land on which crops or live-
15 stock are produced, or land used to support the pro-
16 duction of crops or livestock.

17 (3) LIVESTOCK.—The term “livestock” means
18 dairy cattle, beef cattle, laying hens, broilers, tur-
19 keys, swine, sheep, and such other animals as deter-
20 mined by the Secretary.

21 (4) PRODUCER.—The term “producer” means a
22 person who is engaged in livestock or agricultural
23 production (as defined by the Secretary).

24 (b) AUTHORITY TO PROVIDE ASSISTANCE.—During
25 the 1999 through 2002 fiscal years, the Secretary of Agri-

1 culture may provide technical assistance and cost-share
2 payments to a producer who undertakes on eligible lands
3 in a designated disaster area a project intended to allevi-
4 ate or otherwise respond to the effects of drought on crop
5 or livestock production. A producer may apply for cost-
6 share payments under this section before undertaking an
7 eligible project, during the course of the project, or within
8 one year after completing the project. A project may be
9 completed after the expiration of the designation of an
10 area as a designated disaster area.

11 (c) ELIGIBLE PROJECTS.—The projects for which as-
12 sistance may be provided under this section include—

13 (1) the installation of water wells to be used
14 primarily for crop irrigation or livestock watering;

15 (2) the dredging of ponds or other small bodies
16 of water on eligible lands; and

17 (3) the extension of public water supply lines to
18 serve eligible lands.

19 (d) OFFER SELECTION PROCESS.—The Secretary of
20 Agriculture shall, to the maximum extent practicable, es-
21 tablish a process for selecting applications for financial as-
22 sistance if there are numerous applications for assistance
23 for eligible projects that would provide substantially the
24 same level of benefits. The process shall be based on—

1 (1) a reasonable estimate of the projected cost
2 of the proposals and other factors identified by the
3 Secretary for determining which applications will re-
4 sult in the least cost to the program authorized by
5 this section; and

6 (2) such other factors determined by the Sec-
7 retary that maximize benefits in designated disaster
8 areas per dollar expended.

9 (e) CONCURRENCE OF OWNER.—If the producer
10 making an offer to receive assistance is a tenant using
11 the eligible land, for the offer to be acceptable, the pro-
12 ducer shall obtain the concurrence of the owner of the eli-
13 gible land with respect to the offer.

14 (f) AMOUNT OF COST-SHARE PAYMENTS.—The Fed-
15 eral share of cost-share payments to a producer proposing
16 to implement one or more eligible project shall be not more
17 than 75 percent of the projected cost of the project, as
18 determined by the Secretary of Agriculture, taking into
19 consideration any payment received by the producer from
20 a State or local government. A producer may not receive
21 cost-share payments under this section for a project if the
22 producer receives cost-share payments or other benefits
23 for the same project under another provision of law.

24 (g) TECHNICAL ASSISTANCE.—The receipt of tech-
25 nical assistance under this section shall not affect the eli-

1 gibility of the producer to receive technical assistance
2 under other authorities of law available to the Secretary
3 of Agriculture.

4 (h) RETROACTIVE EFFECT.—This section shall apply
5 to eligible projects commenced in designated disaster areas
6 on or after January 1, 1998.

7 **SEC. 4. AUTHORITY TO PROVIDE EMERGENCY LOANS**
8 **BASED ON ESTIMATED LOSSES.**

9 Subtitle C of the Consolidated Farm and Rural De-
10 velopment Act (7 U.S.C. 1961–1970) is amended by in-
11 serting after section 327 the following:

12 “SEC. 328. In this subtitle, the terms ‘actual loss’
13 and ‘actual production loss’ mean actual loss or (if great-
14 er) the estimated loss as determined by the relevant coun-
15 ty committee.”.

16 **SEC. 5. BORROWER ELECTION TO DEFER INTEREST PAY-**
17 **MENTS ON EMERGENCY LOANS.**

18 Section 324 of the Consolidated Farm and Rural De-
19 velopment Act (7 U.S.C. 1964) is amended by adding at
20 the end the following:

21 “(f) A borrower of a loan made under this subtitle
22 may elect to defer the payment of any or all interest on
23 the loan until the end of the period for which the loan
24 is made.”.

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