

105TH CONGRESS  
2D SESSION

# H. R. 4618

To provide emergency assistance to American farmers and ranchers for crop and livestock feed losses due to disasters and to respond to loss of world markets for American agricultural commodities.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 24, 1998

Mr. SMITH of Oregon introduced the following bill; which was referred to the Committee on Agriculture, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To provide emergency assistance to American farmers and ranchers for crop and livestock feed losses due to disasters and to respond to loss of world markets for American agricultural commodities.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Agriculture Disaster and Market Loss Assistance Act of  
6 1998”.

1 (b) TABLE OF CONTENTS.—The table of contents of  
 2 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—EMERGENCY ASSISTANCE FOR CROP AND LIVESTOCK  
 FEED LOSSES DUE TO DISASTERS

Sec. 101. General provisions.

Sec. 102. Crop loss assistance.

Sec. 103. Emergency livestock feed assistance.

TITLE II—MARKET LOSS ASSISTANCE

Sec. 201. Market loss assistance.

TITLE III—ADMINISTRATION

Sec. 301. Commodity Credit Corporation.

Sec. 302. Emergency requirement.

Sec. 303. Regulations.

3 **TITLE I—EMERGENCY ASSIST-**  
 4 **ANCE FOR CROP AND LIVE-**  
 5 **STOCK FEED LOSSES DUE TO**  
 6 **DISASTERS**

7 **SEC. 101. GENERAL PROVISIONS.**

8 (a) FAIR AND EQUITABLE DISTRIBUTION.—Assist-  
 9 ance made available under this title shall be distributed  
 10 in a fair and equitable manner to producers who have in-  
 11 curred crop and livestock feed losses in all affected geo-  
 12 graphic regions of the United States.

13 (b) PROGRAM ADMINISTRATION.—In carrying out  
 14 this title, the Secretary of Agriculture (referred to in this  
 15 Act as the “Secretary”) may determine—

1           (1) 1 or more loss thresholds producers on a  
2 farm must incur with respect to a crop to be eligible  
3 for assistance;

4           (2) the payment rate for crop and livestock feed  
5 losses incurred; and

6           (3) eligibility and payment limitation criteria  
7 (as defined by the Secretary) for persons to receive  
8 assistance under this title, which, in the case of as-  
9 sistance received under any section of this title, shall  
10 be in addition to—

11                   (A) assistance made available under any  
12 other section of this title and title II;

13                   (B) payments or loans received by a person  
14 under the Agricultural Market Transition Act  
15 (7 U.S.C. 7201 et seq.);

16                   (C) payments received by a person for the  
17 1998 crop under the noninsured crop assistance  
18 program established under section 196 of that  
19 Act (7 U.S.C. 7333);

20                   (D) crop insurance indemnities provided  
21 for the 1998 crop under the Federal Crop In-  
22 surance Act (7 U.S.C. 1501 et seq.); and

23                   (E) emergency loans made available for the  
24 1998 crop under subtitle C of the Consolidated

1 Farm and Rural Development Act (7 U.S.C.  
2 1961 et seq.).

3 **SEC. 102. CROP LOSS ASSISTANCE.**

4 (a) IN GENERAL.—The Secretary shall administer a  
5 program under which emergency financial assistance is  
6 made available to producers on a farm who have incurred  
7 losses associated with crops due to disasters (as deter-  
8 mined by the Secretary).

9 (b) LOSSES INCURRED FOR 1998 CROP.—Subject to  
10 section 302, the Secretary shall use not more than  
11 \$1,500,000,000 to make available assistance to producers  
12 on a farm who have incurred losses in the 1998 crop due  
13 to disasters.

14 (c) MULTIYEAR LOSSES.—Subject to section 302, the  
15 Secretary shall use not more than \$675,000,000 to make  
16 available assistance to producers on a farm who have in-  
17 curred multiyear losses (as defined by the Secretary) in  
18 the 1998 and preceding crops of a commodity due to disas-  
19 ters (including, but not limited to, diseases such as scab).

20 (d) RELATIONSHIP BETWEEN ASSISTANCE.—The  
21 Secretary shall make assistance available to producers on  
22 a farm under either subsection (b) or (c).

23 (e) QUALIFYING LOSSES.—Assistance under this sec-  
24 tion may be made for losses associated with crops that  
25 are due to, as determined by the Secretary—

1 (1) quantity losses;

2 (2) quality (including, but not limited to,  
3 aflatoxin) losses; or

4 (3) severe economic losses due to damaging  
5 weather or related condition.

6 (f) CROPS COVERED.—Assistance under this section  
7 shall be applicable to losses for all crops, as determined  
8 by the Secretary, due to disasters.

9 (g) CROP INSURANCE.—

10 (1) ADMINISTRATION.—In carrying out this  
11 section, the Secretary shall not discriminate against  
12 or penalize producers on a farm who have purchased  
13 crop insurance under the Federal Crop Insurance  
14 Act (7 U.S.C. 1501 et seq.).

15 (2) ENCOURAGING FUTURE CROP INSURANCE  
16 PARTICIPATION.—Subject to section 302, the Sec-  
17 retary, acting through the Federal Crop Insurance  
18 Corporation, may use the funds made available  
19 under subsections (b) and (c), and only those funds,  
20 to provide premium refunds or other assistance to  
21 purchasers of crop insurance for their 1998 insured  
22 crops, or their preceding (including 1998) insured  
23 crops.

24 (3) PRODUCERS WHO HAVE NOT PURCHASED  
25 CROP INSURANCE FOR 1998 CROP.—As a condition of

1 receiving assistance under this section, producers on  
2 a farm who have not purchased crop insurance for  
3 the 1998 crop under that Act shall agree by contract  
4 to purchase crop insurance for the subsequent 2  
5 crops produced by the producers.

6 (4) LIQUIDATED DAMAGES.—

7 (A) IN GENERAL.—The contract under  
8 paragraph (3) shall provide for liquidated dam-  
9 ages to be paid by the producers due to the fail-  
10 ure of the producers to purchase crop insurance  
11 as provided in paragraph (3).

12 (B) NOTICE OF DAMAGES.—The amount  
13 of the liquidated damages shall be established  
14 by the Secretary and specified in the contract  
15 agreed to by the producers.

16 (5) FUNDING FOR CROP INSURANCE PURCHASE  
17 REQUIREMENT.—Subject to section 302, such sums  
18 as may be necessary, to remain available until ex-  
19 pended, shall be available to the Federal Crop Insur-  
20 ance Corporation to cover costs incurred by the Cor-  
21 poration as a result of the crop insurance purchase  
22 requirement in paragraph (3). Funds made available  
23 under subsections (b) and (c) may not be used to  
24 cover such costs.

1 **SEC. 103. EMERGENCY LIVESTOCK FEED ASSISTANCE.**

2 Subject to section 302, the Secretary shall use not  
3 more than \$175,000,000 to make available livestock feed  
4 assistance to livestock producers affected by disasters dur-  
5 ing calendar year 1998.

6 **TITLE II—MARKET LOSS**  
7 **ASSISTANCE**

8 **SEC. 201. MARKET LOSS ASSISTANCE.**

9 (a) IN GENERAL.—Subject to section 302, the Sec-  
10 retary shall use \$1,650,000,000 for assistance to owners  
11 and producers on a farm who are eligible for final pay-  
12 ments for fiscal year 1998 under a production flexibility  
13 contract for the farm under the Agricultural Market Tran-  
14 sition Act (7 U.S.C. 7201 et seq.) to partially compensate  
15 the owners and producers for the loss of markets for the  
16 1998 crop of a commodity.

17 (b) AMOUNT.—The amount of assistance made avail-  
18 able to owners and producers on a farm under this section  
19 shall be proportional to the amount of the contract pay-  
20 ment received by the owners and producers for fiscal year  
21 1998 under a production flexibility contract for the farm  
22 under the Agricultural Market Transition Act.

23 (c) TIME FOR PAYMENT.—The assistance made  
24 available under this section for an eligible owner or pro-  
25 ducer shall be made as soon as practicable after the date  
26 of enactment of this Act.

# 1       **TITLE III—ADMINISTRATION**

## 2       **SEC. 301. COMMODITY CREDIT CORPORATION.**

3           Subject to section 302, the Secretary shall use the  
4 funds, facilities, and authorities of the Commodity Credit  
5 Corporation to carry out titles I and II.

## 6       **SEC. 302. EMERGENCY REQUIREMENT.**

7           (a) BUDGET REQUEST.—The entire amount nec-  
8 essary to carry out titles I and II shall be available only  
9 to the extent that the President submits to Congress an  
10 official budget request for a specific dollar amount that  
11 includes designation of the entire amount of the request  
12 as an emergency requirement for the purposes of the Bal-  
13 anced Budget and Emergency Deficit Control Act of 1985  
14 (2 U.S.C. 900 et seq.).

15           (b) DESIGNATION BY CONGRESS.—The entire  
16 amount of funds necessary to carry out titles I and II is  
17 designated by Congress as an emergency requirement  
18 under section 251(b)(2)(A) of the Balanced Budget and  
19 Emergency Deficit Control Act of 1985 (2 U.S.C.  
20 901(b)(2)(A)).

## 21       **SEC. 303. REGULATIONS.**

22           (a) ISSUANCE OF REGULATIONS.—As soon as prac-  
23 ticable after the date of enactment of this Act, the Sec-  
24 retary and the Commodity Credit Corporation, as appro-  
25 priate, shall issue such regulations as are necessary to im-

1 plement titles I and II. The issuance of the regulations  
2 shall be made without regard to—

3 (1) the notice and comment provisions of sec-  
4 tion 553 of title 5, United States Code;

5 (2) the Statement of Policy of the Secretary of  
6 Agriculture effective July 24, 1971 (36 Fed. Reg.  
7 13804) relating to notices of proposed rulemaking  
8 and public participation in rulemaking; and

9 (3) chapter 35 of title 44, United States Code  
10 (commonly known as the “Paperwork Reduction  
11 Act”).

12 (b) CONGRESSIONAL REVIEW OF AGENCY RULE-  
13 MAKING.—In carrying out this section, the Secretary shall  
14 use the authority provided under section 808 of title 5,  
15 United States Code.

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