

106TH CONGRESS
2D SESSION

H. R. 4523

To amend the Agricultural Market Transition Act to permit a producer to lock in a loan deficiency payment rate for a portion of a crop.

IN THE HOUSE OF REPRESENTATIVES

MAY 23, 2000

Mr. SMITH of Michigan introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Agricultural Market Transition Act to permit a producer to lock in a loan deficiency payment rate for a portion of a crop.

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. FLEXIBLE LOAN PAYMENT RATE FOR LOAN DE-**
4 **FICIENCY PAYMENTS.**

5 Section 135 of the Agricultural Market Transition
6 Act (7 U.S.C. 7235) is amended by striking subsection
7 (b) and inserting the following:

8 “(b) COMPUTATION.—

1 “(1) IN GENERAL.—Except as provided in para-
2 graph (2), a loan deficiency payment under this sec-
3 tion shall be computed by multiplying—

4 “(A) the loan payment rate determined
5 under subsection (c) for the loan commodity; by

6 “(B) the quantity of the loan commodity
7 that the producers on a farm are eligible to
8 place under loan but for which the producers
9 forgo obtaining the loan in return for payments
10 under this section.

11 “(2) ALTERNATIVE COMPUTATION.—

12 “(A) IN GENERAL.—During the period be-
13 ginning on the date on which the Secretary de-
14 termines that a fall- or spring-planted loan
15 commodity is beginning to be harvested in the
16 United States and ending on the date on which
17 the producers on a farm begin harvesting the
18 loan commodity, the producers on the farm may
19 make an irrevocable election to have a loan defi-
20 ciency payment for the loan commodity under
21 this section computed in accordance with this
22 paragraph on an amount not to exceed 85 per-
23 cent of the quantity of the loan commodity for
24 a crop year that the producers on the farm will

1 be eligible to place under loan for that crop
2 year.

3 “(B) AMOUNT.—A loan deficiency payment
4 under this paragraph shall be computed by
5 multiplying—

6 “(i) the loan payment rate determined
7 under subsection (c) for the loan com-
8 modity, as of the date of the election by
9 the producers on a farm under subpara-
10 graph (A); by

11 “(ii) the quantity of the loan com-
12 modity that the producers on the farm
13 elect to have computed under subpara-
14 graph (A).

15 “(C) NOTICE.—Not later than 10 days
16 after making the determination described in
17 subparagraph (A), the Secretary shall publicize
18 the determination through means determined
19 appropriate by the Secretary.

20 “(D) TIMING OF PAYMENT.—The pro-
21 ducers on a farm shall receive a loan payment
22 under this paragraph after—

23 “(i) the total quantity of loan com-
24 modity on the farm is harvested; and

1 “(ii) sufficient documentation regard-
2 ing the total quantity of loan commodity
3 harvested has been provided to the Sec-
4 retary.”.

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