

106TH CONGRESS
2D SESSION

H. R. 4979

To amend the Agriculture Market Transition Act to extend the availability of marketing assistance loans beyond the 2002 crop year, to increase the loans rates for such loans, to extend the duration of such loans, and to revise the limitations on the total amount of marketing loan gains and loan deficiency payments that a producer may receive.

IN THE HOUSE OF REPRESENTATIVES

JULY 26, 2000

Mr. POMEROY (for himself and Mr. MINGE) introduced the following bill;
which was referred to the Committee on Agriculture

A BILL

To amend the Agriculture Market Transition Act to extend the availability of marketing assistance loans beyond the 2002 crop year, to increase the loans rates for such loans, to extend the duration of such loans, and to revise the limitations on the total amount of marketing loan gains and loan deficiency payments that a producer may receive.

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 “Family Farm Safety Net Act”.

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

- Sec. 1. Short title; table of contents.
- Sec. 2. Permanent availability of marketing assistance loans.
- Sec. 3. Establishment of minimum loan rates for marketing assistance loans.
- Sec. 4. Increase in duration of marketing assistance loans.
- Sec. 5. Limitations on marketing loan gains and loan deficiency payments.

3 **SEC. 2. PERMANENT AVAILABILITY OF MARKETING ASSIST-**
4 **ANCE LOANS.**

5 Section 131(a) of the Agriculture Market Transition
6 Act (7 U.S.C. 7231(a)) is amended by striking “through
7 2002” and inserting “and subsequent”.

8 **SEC. 3. ESTABLISHMENT OF MINIMUM LOAN RATES FOR**
9 **MARKETING ASSISTANCE LOANS.**

10 (a) WHEAT.—Subsection (a) of section 132 of the
11 Agriculture Market Transition Act (7 U.S.C. 7232) is
12 amended—

13 (1) in paragraph (1)(B), by striking “not more
14 than \$2.58 per bushel” and inserting “not less than
15 \$3.40 per bushel for each of the 2000 and subse-
16 quent crop years”; and

17 (2) in paragraph (2), by striking “If the Sec-
18 retary” and inserting “Subject to the minimum loan
19 rate specified in paragraph (1)(B), if the Secretary”.

20 (b) CORN.—Subsection (b) of such section is
21 amended—

22 (1) in paragraph (1)(B), by striking “not more
23 than \$1.89 per bushel” and inserting “not less than

1 \$2.43 per bushel for each of the 2000 and subse-
2 quent crop years”; and

3 (2) in paragraph (2), by striking “If the Sec-
4 retary” and inserting “Subject to the minimum loan
5 rate specified in paragraph (1)(B), if the Secretary”.

6 (c) GRAIN SORGHUM AND OATS.—Subsection (b)(3)
7 of such section is amended by adding at the end the fol-
8 lowing: “Notwithstanding the preceding sentence, the loan
9 rate for a marketing assistance loan under section 131 for
10 each of the 2000 and subsequent crop years shall be not
11 less than—

12 “(A) \$2.24 per bushel for grain sorghum;

13 and

14 “(B) \$1.46 per bushel for oats.”.

15 (d) BARLEY.—Subsection (b) of such section is
16 amended—

17 (1) in paragraph (3), by striking “, barley,”;

18 and

19 (2) by adding at the end the following new
20 paragraph:

21 “(4) BARLEY.—For each of the 2000 and sub-
22 sequent crop years, the loan rate for a marketing as-
23 sistance loan under section 131 for barley shall be—

24 “(A) not less than 85 percent of the simple
25 average price received by producers of malting

1 or feed barley, as determined by the Secretary,
2 during the marketing years for the immediately
3 preceding 5 crops of barley, excluding the year
4 in which the all barley average price was the
5 highest and the year in which the all barley av-
6 erage price was the lowest in the period; but

7 “(B) not less than \$2.43 per bushel.”.

8 (e) UPLAND COTTON.—Subsection (c)(2) of such sec-
9 tion is amended by striking “\$0.50 per pound or more
10 than \$0.5192 per pound” and inserting “\$0.61 per pound
11 for each of the 2000 and subsequent crop years”.

12 (f) EXTRA LONG STAPLE COTTON.—Subsection
13 (d)(2) of such section is amended by striking “not more
14 than \$0.7965 per pound” and inserting “not less than
15 \$0.887 per pound for each of the 2000 and subsequent
16 crop years.

17 (g) RICE.—Subsection (e) of such section is amended
18 by striking “\$6.50 per hundredweight” and inserting
19 “\$8.25 per hundredweight for each of the 2000 and subse-
20 quent crop years”.

21 (h) SOYBEANS.—Subsection (f)(1)(B) of such section
22 is amended by striking “\$4.92 or more than \$5.26 per
23 bushel” and inserting “\$5.50 per bushel for each of the
24 2000 and subsequent crop years”.

1 (i) OTHER OIL SEEDS.—Subsection (f)(2)(B) of such
2 section is amended by striking “\$0.087 or more than
3 \$0.093 per pound” and inserting “\$0.0972 per pound for
4 each of the 2000 and subsequent crop years”.

5 **SEC. 4. INCREASE IN DURATION OF MARKETING ASSIST-**
6 **ANCE LOANS.**

7 Section 133 of the Agriculture Market Transition Act
8 (7 U.S.C. 7233) is amended to read as follows:

9 **“SEC. 133. TERM OF LOANS.**

10 “(a) TERM OF LOAN.—In the case of each loan com-
11 modity, a marketing assistance loan under section 131
12 shall have a term of 20 months beginning on the first day
13 of the first month after the month in which the loan is
14 made.

15 “(b) EXTENSIONS AUTHORIZED.—The Secretary
16 may extend the term of a marketing assistance loan for
17 any loan commodity.”.

18 **SEC. 5. LIMITATIONS ON MARKETING LOAN GAINS AND**
19 **LOAN DEFICIENCY PAYMENTS.**

20 (a) ESTABLISHMENT OF NEW LIMITATIONS.—Sec-
21 tion 1001(2) of the Food Security Act of 1985 (7 U.S.C.
22 1308(2)) is amended—

23 (1) by inserting “(A)” before “The total
24 amount”;

1 (2) by striking “\$75,000” and inserting
2 “\$100,000”; and

3 (3) by adding at the end the following new sub-
4 paragraphs:

5 “(B) In addition to the limitation in subpara-
6 graph (A), if the value of all contract commodities
7 and oilseeds for which a person obtains nonrecourse
8 marketing loans under the Agricultural Market
9 Transition Act during any crop year, plus the value
10 of nonrecourse marketing loans forgone by the per-
11 son in return for loan deficiency payments during
12 that crop year, is more than \$400,000, but less than
13 or equal to \$600,000, the Secretary shall reduce—

14 “(i) the amount of any payments specified
15 in paragraph (3) corresponding to the value in
16 excess of \$400,000, but less than or equal to
17 \$500,000, by 10 percent; and

18 “(ii) the amount of any payments specified
19 in paragraph (3) corresponding to the value in
20 excess of \$500,000, but less than or equal to
21 \$600,000, by 20 percent.

22 “(C) Subject to subparagraph (A), the total
23 value of all contract commodities and oilseeds for
24 which a person may obtain nonrecourse marketing
25 loans under the Agricultural Market Transition Act

1 during any crop year or forgo such loans in return
2 for loan deficiency payments during that crop year,
3 or both, may not exceed \$600,000.

4 “(D) In this paragraph, the term ‘value’ means
5 the total amount obtained by multiplying—

6 “(i) the quantity of each contract com-
7 modity and oilseed for which a person obtains
8 a nonrecourse marketing loan or forgoes such a
9 loan in return for loan deficiency payments; by

10 “(ii) the loan rate applicable to the com-
11 modity under section 132 of the Agricultural
12 Market Transition Act (7 U.S.C. 7232).”.

13 (b) AVAILABILITY OF RECOURSE LOANS FOR ADDI-
14 TIONAL PRODUCTION.—Section 137 of the Agricultural
15 Market Transition Act (7 U.S.C. 7237) is amended by
16 adding at the end the following new subsection:

17 “(e) RECOURSE LOANS FOR LOAN COMMODITIES.—
18 The Secretary shall make available recourse loans, as de-
19 termined by the Secretary, to a producer of loan commod-
20 ities who is prevented by section 1001(2) of the Food Se-
21 curity Act of 1985 from obtaining nonrecourse marketing
22 loans under this subtitle during any crop year or forgoing
23 nonrecourse marketing loans in return for loan deficiency
24 payments.”.

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