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106TH CONGRESS
2D SESSION

H. R. 5205

To amend the Agricultural Market Transition Act to establish a flexible fallow program under which a producer may idle a portion of the total planted acreage of the loan commodities of the producer in exchange for higher loan rates for marketing assistance loans on the remaining acreage of the producer.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 19, 2000

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

A BILL

To amend the Agricultural Market Transition Act to establish a flexible fallow program under which a producer may idle a portion of the total planted acreage of the loan commodities of the producer in exchange for higher loan rates for marketing assistance loans on the remaining acreage of the producer.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Food Security and Land Stewardship Act of 2000''.

SEC. 2. FLEXIBLE FALLOW PROGRAM.

(a) IN GENERAL.—The Agricultural Market Transition Act is amended by inserting after section 137 (7 U.S.C. 7237) the following new section:

"SEC. 138. ALTERNATIVE LOAN RATES UNDER FLEXIBLE FALLOW PROGRAM.

"(a) DEFINITION OF TOTAL PLANTED ACREAGE.—In this section, the term 'total planted acreage' means the cropland acreage of a producer that for the 1999 crop year was—

"(1) planted to a loan commodity;

"(2) prevented from being planted to a loan commodity; or

"(3) fallow as part of a fallow rotation practice with respect to a loan commodity, as determined by the Secretary.

"(b) ELECTION TO PARTICIPATE.—In lieu of receiving a loan rate under section 132 with respect to production eligible for a loan under section 131, a producer may elect to participate in a flexible fallow program for any of the 2001 or 2002 crops under which annually—

"(1) the producer determines which acres of the total planted acreage are assigned to a specific loan commodity;

"(2) the producer determines—

"(A) the projected percentage reduction rate of production of the specific loan commodity based on the acreage assigned to the loan commodity under paragraph (1); and

"(B) the acreage of the total planted acreage of the producer to be set aside under subparagraph (A), regardless of whether the acreage is on the same farm as the acreage planted to the specific loan commodity;

"(3) based on the projected percentage reduction rate of production as a result of the acreage set aside under paragraph (2), the producer receives the loan rate for each loan commodity produced by the producer, as determined under subsection (c); and

"(4) the acreage planted to loan commodities for harvest and set aside under this section is limited to the total planted acreage of the producer.

"(c) LOAN RATES UNDER PROGRAM.—

"(1) IN GENERAL.—Subject to paragraphs (2) and (3), in the case of a producer of a loan commodity that elects to participate in the flexible fallow program under this section, the loan rate for a marketing assistance loan under section 131 for a crop of the loan commodity shall be based on the projected percentage reduction rate of production determined by the producer under subsection (b)(2), in accordance with the following table:

“Projected Percentage Reduction Rate	Corn Loan Rate ($/bushel)	Wheat Loan Rate ($/bushel)	Soybean Loan Rate ($/bushel)	Upland Cotton Loan Rate ($/pound)	Rice Loan Rate ($/hundredweight)
0%	1.89	2.75	4.72	0.5192	6.50
1%	1.91	2.78	4.77	0.5268	6.60
2%	1.93	2.81	4.81	0.5344	6.70
3%	1.95	2.83	4.86	0.5420	6.80
4%	1.97	2.86	4.91	0.5496	6.90
5%	1.99	2.89	4.96	0.5572	7.00
6%	2.01	2.92	5.01	0.5648	7.10
7%	2.03	2.95	5.06	0.5724	7.20
8%	2.05	2.98	5.11	0.5800	7.30
9%	2.07	3.01	5.16	0.5876	7.40
10%	2.09	3.04	5.21	0.5952	7.50
11%	2.12	3.08	5.29	0.6028	7.60
12%	2.15	3.13	5.36	0.6104	7.70
13%	2.18	3.17	5.43	0.6180	7.80
14%	2.21	3.22	5.51	0.6256	7.90
15%	2.24	3.27	5.58	0.6332	8.00
16%	2.28	3.31	5.65	0.6408	8.10
17%	2.31	3.36	5.73	0.6484	8.20
18%	2.34	3.41	5.81	0.6560	8.30
19%	2.37	3.46	5.88	0.6636	8.40
20%	2.41	3.51	5.96	0.6712	8.50
21%	2.44	3.55	6.04	0.6788	8.60
22%	2.47	3.60	6.12	0.6864	8.70
23%	2.51	3.65	6.19	0.6940	8.80
24%	2.54	3.70	6.27	0.7016	8.90
25%	2.57	3.75	6.35	0.7092	9.00
26%	2.61	3.80	6.43	0.7168	9.10
27%	2.64	3.85	6.51	0.7244	9.20
28%	2.68	3.90	6.60	0.7320	9.30
29%	2.71	3.95	6.68	0.7396	9.40
30%	2.75	4.01	6.76	0.7472	9.50.

“(2) COUNTY AVERAGE YIELDS.—

“(A) IN GENERAL.—The loan rate for a marketing assistance loan made to a producer for a crop of a loan commodity under paragraph (1) shall apply with respect to the production of the crop of the loan commodity by the producer in a quantity that does not exceed the historical county average yield for the loan commodity established by the National Agricultural Statistics Service, adjusted for long-term yield trends.

"(B) EXCESS PRODUCTION.—The loan rate for a marketing assistance loan made to a producer for a crop of a loan commodity under paragraph (1) with respect to the production of the crop of the loan commodity in excess of the historical county average yield for the loan commodity described in subparagraph (A) shall be equal to the loan rate established for a 0% projected percentage reduction rate for the loan commodity under paragraph (1).

"(C) DISASTERS.—

"(i) IN GENERAL.—If the production of a crop of a loan commodity by a producer is less than the historical county average yield for the loan commodity described in subparagraph (A) as a result of damaging weather, an insurable peril, or related condition, the producer may receive a payment on the lost production that shall equal the difference between—

"(I) the maximum quantity of loan commodity that could have been designated for the loan rate authorized under this section for the producer; and

"(II) the quantity of loan commodity the producer was able to produce and commercially market.

"(ii) CALCULATION OF PAYMENT.—The payment described in clause (i) shall be equal to the loan deficiency payment the producer could have received on the lost production on any date, selected by the producer, on which a loan deficiency payment was available for that crop of the loan commodity.

"(3) OTHER LOAN COMMODITIES.—In the case of a producer of a loan commodity not covered by paragraphs (1) and (2) that elects to participate in the flexible fallow program under this section, the loan rate for a marketing assistance loan under section 131 for the crop of the loan commodity shall be based on—

"(A) in the case of grain sorghum, barley, and oats, such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn;

"(B) in the case of extra long staple cotton, such level as the Secretary determines is fair and reasonable; and

"(C) in the case of oilseeds other than soybeans, such level as the Secretary determines is fair and reasonable in relation to the loan rate available for soybeans, except that the rate for the oilseeds (other than cottonseed) shall not be less than the rate established for soybeans on a per-pound basis for the same crop.

"(d) CONSERVATION USE OF SET-ASIDE ACREAGE.—To be eligible for a loan rate under this section, a producer shall devote all of the acreage set aside under this section to a conservation use approved by the Secretary and manage the set-aside acreage using management practices designed to enhance soil conservation and wildlife habitat. The Secretary shall prescribe the approved management practices for a county in consultation with the relevant State technical committee.

"(1) LIMITED GRAZING.—The Secretary may permit limited grazing on the set-aside acreage when the grazing is incidental to the gleaning of crop residues on adjacent fields.

"(e) CERTIFICATION.—To be eligible to participate in the flexible fallow program for the 2001 or 2002 crops, a producer shall certify to the Secretary (by farm serial number) the total planted acreage assigned, planted, and set aside with respect to each loan commodity.".

(b) CONFORMING AMENDMENTS.—

(1) LOAN RATE ADJUSTMENTS.—Section 132 of the Agricultural Market Transition Act (7 U.S.C. 7232) is amended—

(A) in subsection (a)(1)(B), by striking "$2.58" and inserting "$2.75"; and

(B) in subsection (f)(1), by striking subparagraph (B) and inserting the following new subparagraph:

"(B) not more than $4.72 per bushel.".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply beginning with the 2001 crop of a loan commodity (as defined in section 102 of the Agricultural Market Transition Act (7 U.S.C. 7202)).

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