

106TH CONGRESS
2D SESSION

S. 2442

To amend the Consolidated Farm and Rural Development Act to authorize the Secretary of Agriculture to provide long-term, low-interest loans to apple growers.

IN THE SENATE OF THE UNITED STATES

APRIL 13, 2000

Mrs. MURRAY introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the Consolidated Farm and Rural Development Act to authorize the Secretary of Agriculture to provide long-term, low-interest loans to apple growers.

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 “Apple Orchard Diver-
5 sification Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

1 (1) United States apple producers are strug-
2 gling as the result of low prices and weather-related
3 crop losses in 1998 and 1999;

4 (2) it is estimated the United States apple in-
5 dustry lost nearly \$300,000,000 on the 1998 crop;

6 (3) it is estimated that in some counties up to
7 90 percent of the apple producers will not recover
8 1999 production costs;

9 (4) many apple producers are in danger of not
10 receiving financing from commercial lenders for the
11 2000 crop;

12 (5) many local communities (including busi-
13 nesses, schools, towns, county governments, and irri-
14 gation districts) that support and are supported by
15 apple producers are hard hit by downturns in fresh
16 apple and juice concentrate prices;

17 (6) as a result of the economic situation, some
18 local communities declared economic disasters and
19 petitioned Federal and State elected officials to de-
20 clare disasters and provide assistance;

21 (7) United States apple producers are harmed
22 by foreign trade barriers and by United States Gov-
23 ernment trade restrictions, including unilateral trade
24 sanctions;

1 (8) the United States Government is not meet-
2 ing its obligations to expand trade promotion and
3 agricultural research in accordance with the Federal
4 Agriculture Improvement and Reform Act of 1996
5 (Public Law 104–127; 110 Stat. 888) and amend-
6 ments made by that Act;

7 (9) imports of below-cost apple juice con-
8 centrate from China—

9 (A) increased by more than 1,200 percent
10 between 1995 and 1998; and

11 (B) led to a 64-percent decline in the price
12 that producers received for juice apples in the
13 same period;

14 (10) in April 2000, the Department of Com-
15 merce levied antidumping duties of 51.74 percent on
16 most Chinese concentrate imports;

17 (11) the International Trade Commission will
18 issue a final injury ruling by May 22, 2000, on the
19 United States apple industry’s dumping case against
20 below-cost apple juice concentrate imports from
21 China;

22 (12) existing Federal farm policy is inadequate
23 to meet the needs, particularly the credit needs, of
24 United States specialty crop producers during dif-
25 ficult economic times;

1 (13) the United States Government should
2 modify agricultural credit policies to provide a vari-
3 ety of flexible long-term, low-interest loan options to
4 United States specialty crop producers in response
5 to periods of low prices or natural disasters;

6 (14) there is a need to promote diversification
7 into more economically viable apple varieties that
8 promise to provide greater financial returns for
9 apple producers; and

10 (15) an apple orchard diversification initiative
11 that provides long-term, low-interest loans would re-
12 duce surpluses in the short term, while enhancing
13 the ability of family farmers to modernize their or-
14 chards and stay in business in the long term.

15 **SEC. 3. APPLE ORCHARD DIVERSIFICATION PROGRAM.**

16 Subtitle B of the Consolidated Farm and Rural De-
17 velopment Act (7 U.S.C. 1941 et seq.) is amended by in-
18 serting after section 314 the following:

19 **“SEC. 315. APPLE ORCHARD DIVERSIFICATION PROGRAM.**

20 “(a) IN GENERAL.—Not later than 90 days after the
21 date of enactment of this section, the Secretary shall de-
22 velop and implement an apple orchard diversification pro-
23 gram under which the Secretary provides not more than
24 \$75,000,000 in long-term, low-interest loans to apple
25 growers.

1 “(b) USE OF LOANS.—A loan under subsection (a)
2 shall be used for the purchase of trees for converting exist-
3 ing apple orchards into new apple varieties.”.

4 **SEC. 4. REGULATIONS.**

5 (a) PROMULGATION.—Not later than 30 days after
6 the date of enactment of this Act, the Secretary of Agri-
7 culture, shall promulgate such regulations as are nec-
8 essary to implement the amendment made by section 3.

9 (b) PROCEDURE.—The promulgation of the regula-
10 tions under subsection (a) and the administration of the
11 section added by the amendment made by section 3 shall
12 be made without regard to—

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

15 (2) the Statement of Policy of the Secretary of
16 Agriculture effective July 24, 1971 (36 Fed. Reg.
17 13804), relating to notices of proposed rulemaking
18 and public participation in rulemaking; and

19 (3) chapter 35 of title 44, United States Code
20 (commonly known as the “Paperwork Reduction
21 Act”).

22 (c) STAKEHOLDER PROCESS.—

23 (1) IN GENERAL.—The Secretary shall establish
24 a stakeholder process to provide input to the Sec-

1 retary in developing the program established by the
2 amendment made by section 3.

3 (2) HEARINGS.—In the stakeholder process, the
4 Secretary shall hold at least 3 hearings in different
5 regions of the United States.

6 (3) CONSIDERATIONS.—In developing the pro-
7 gram, the Secretary shall consider—

8 (A) income and acreage qualifications for
9 growers receiving loans;

10 (B) parameters on payments, acreage, and
11 varietal stock quality; and

12 (C) the comments of apple producers con-
13 cerning the length of time that the program
14 should be continued.

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

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