

106TH CONGRESS
1ST SESSION

S. 802

To provide for a gradual reduction in the loan rate for peanuts, to repeal peanut quotas for the 2002 and subsequent crops, and to require the Secretary of Agriculture to purchase peanuts and peanut products for nutrition programs only at the world market price.

IN THE SENATE OF THE UNITED STATES

APRIL 14, 1999

Mr. SANTORUM (for himself, Mr. CHAFEE, Mr. GREGG, Mr. FEINGOLD, Mr. DEWINE, Mr. BROWNBACK, Mr. SPECTER, and Ms. COLLINS) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To provide for a gradual reduction in the loan rate for peanuts, to repeal peanut quotas for the 2002 and subsequent crops, and to require the Secretary of Agriculture to purchase peanuts and peanut products for nutrition programs only at the world market price.

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. REDUCTION IN LOAN RATES FOR PEANUTS.**

4 Section 155(a) of the Agricultural Market Transition
5 Act (7 U.S.C. 7271(a)) is amended by striking paragraph
6 (2) and inserting the following:

1 “(2) LOAN RATE.—The national average quota
2 loan rate for quota peanuts shall be as follows:

3 “(A) \$610 per ton for the 1999 crop.

4 “(B) \$550 per ton for the 2000 crop.

5 “(C) \$500 per ton for the 2001 crop.”.

6 **SEC. 2. NONRECOURSE LOANS FOR 2002 AND SUBSEQUENT**
7 **CROPS OF PEANUTS.**

8 Effective beginning with the 2002 crop of peanuts,
9 section 155 of the Agricultural Market Transition Act (7
10 U.S.C. 7271) is amended to read as follows:

11 **“SEC. 155. PEANUT PROGRAM.**

12 “(a) IN GENERAL.—

13 “(1) LOANS.—The Secretary shall make non-
14 recourse loans available to producers of peanuts for
15 each of the 2002 and subsequent crops of peanuts.

16 “(2) RATE.—In carrying out paragraph (1), the
17 Secretary shall offer to all peanut producers non-
18 recourse loans at a level not less than 85 percent of
19 the simple average price received by producers for
20 peanuts, as determined by the Secretary, during the
21 marketing year for each of the immediately pre-
22 ceding 5 crops of peanuts, excluding the year in
23 which the average price was the highest and the year
24 in which the average price was the lowest during the
25 period, but not more than \$350 per ton. The loans

1 shall be administered at no net cost to the Com-
2 modity Credit Corporation.

3 “(3) INSPECTION, HANDLING, OR STORAGE.—
4 The levels of support determined under paragraph
5 (2) shall not be reduced by any deduction for inspec-
6 tion, handling, or storage.

7 “(4) MARKETING OF PEANUTS OWNED OR CON-
8 TROLLED BY THE COMMODITY CREDIT CORPORA-
9 TION.—Any peanuts owned or controlled by the
10 Commodity Credit Corporation may be made avail-
11 able for domestic edible use, in accordance with reg-
12 ulations issued by the Secretary, so long as doing so
13 results in no net cost to the Commodity Credit Cor-
14 poration.

15 “(5) LOCATION AND OTHER FACTORS.—The
16 Secretary may make adjustments for the location of
17 peanuts and such other factors as are authorized by
18 section 403.

19 “(6) ANNOUNCEMENT.—The Secretary shall
20 announce the level of support for each crop of pea-
21 nuts not later than the February 15 preceding the
22 marketing year for which the level of support is
23 being determined.

1 “(b) COMMODITY CREDIT CORPORATION.—The Sec-
2 retary shall carry out the program authorized by this sec-
3 tion through the Commodity Credit Corporation.

4 “(c) CROPS.—This section shall be effective for each
5 of the 2002 and subsequent crops of peanuts.”.

6 **SEC. 3. ELIMINATION OF PEANUT QUOTAS FOR 2002 AND**
7 **SUBSEQUENT CROPS OF PEANUTS.**

8 (a) IN GENERAL.—Part VI of subtitle B of title III
9 of the Agricultural Adjustment Act of 1938 (7 U.S.C.
10 1357 et seq.) is repealed.

11 (b) CONFORMING AMENDMENTS.—

12 (1) DEFINITIONS.—Section 301(b) of the Agri-
13 cultural Adjustment Act of 1938 (7 U.S.C. 1301(b))
14 is amended—

15 (A) in paragraph (3)(A), by striking “corn,
16 rice, and peanuts” and inserting “corn and
17 rice”;

18 (B) in paragraph (6), by striking subpara-
19 graph (C);

20 (C) in paragraph (10)(A)—

21 (i) by striking “wheat, and peanuts”
22 and inserting “and wheat”; and

23 (ii) by striking “; 20 per centum in
24 the case of wheat; and 15 per centum in

1 the case of peanuts” and inserting “; and
2 20 percent in the case of wheat”;

3 (D) in paragraph (13)—

4 (i) by striking subparagraphs (B) and
5 (C); and

6 (ii) in subparagraph (G), by striking
7 “or peanuts” both places it appears; and

8 (E) in paragraph (16)(A), by striking
9 “rice, and peanuts” and inserting “and rice”.

10 (2) ADMINISTRATIVE PROVISIONS.—Section 361
11 of the Agricultural Adjustment Act of 1938 (7
12 U.S.C. 1361) is amended by striking “peanuts,”.

13 (3) ADJUSTMENT OF QUOTAS.—Section 371 of
14 the Agricultural Adjustment Act of 1938 (7 U.S.C.
15 1371) is amended—

16 (A) in the first sentence of subsection (a),
17 by striking “peanuts,”; and

18 (B) in the first sentence of subsection (b),
19 by striking “peanuts”.

20 (4) REPORTS AND RECORDS.—Section 373 of
21 the Agricultural Adjustment Act of 1938 (7 U.S.C.
22 1373) is amended—

23 (A) in subsection (a), by striking the first
24 sentence and inserting the following new sen-
25 tence: “This subsection shall apply to ware-

1 housemen, processors, and common carriers of
2 corn, wheat, cotton, rice, or tobacco, and all
3 ginnerers of cotton, all persons engaged in the
4 business of purchasing corn, wheat, cotton, rice,
5 or tobacco from producers, and all persons en-
6 gaged in the business of redrying, prizing, or
7 stemming tobacco for producers.”; and

8 (B) in subsection (b), by striking “pea-
9 nuts,”.

10 (5) REGULATIONS.—Section 375(a) of the Agri-
11 cultural Adjustment Act of 1938 (7 U.S.C. 1375(a))
12 is amended by striking “peanuts,”.

13 (6) EMINENT DOMAIN.—The first sentence of
14 section 378(c) of the Agricultural Adjustment Act of
15 1938 (7 U.S.C. 1378(c)) is amended by striking
16 “cotton, tobacco, and peanuts,” and inserting “cot-
17 ton and tobacco,”.

18 (c) LIABILITY.—A provision of this section or an
19 amendment made by this section shall not affect the liabil-
20 ity of any person under any provision of law as in effect
21 before the application of the provision of this section or
22 the amendment in accordance with this section.

23 (d) APPLICATION.—This section and the amend-
24 ments made by this section shall apply beginning with the
25 2002 crop of peanuts.

1 **SEC. 4. PURCHASE OF PEANUTS FOR NUTRITION PRO-**
2 **GRAMS.**

3 Section 14 of the National School Lunch Act (42
4 U.S.C. 1762a) is amended by adding at the end the fol-
5 lowing:

6 “(h) PURCHASE OF PEANUTS FOR NUTRITION PRO-
7 GRAMS.—

8 “(1) DEFINITIONS.—In this subsection—

9 “(A) ADDITIONAL PEANUTS.—The term
10 ‘additional peanuts’ has the meaning given the
11 term in section 358–1(e) of the Agricultural
12 Adjustment Act of 1938 (7 U.S.C. 1358–1(e)).

13 “(B) COVERED PROGRAM.—The term ‘cov-
14 ered program’ means—

15 “(i) a program established under this
16 Act;

17 “(ii) a program established under the
18 Child Nutrition Act of 1966 (42 U.S.C.
19 1771 et seq.);

20 “(iii) the emergency food assistance
21 program established under the Emergency
22 Food Assistance Act of 1983 (7 U.S.C.
23 7501 et seq.);

24 “(iv) the food distribution program on
25 Indian reservations established under sec-

1 tion 4(b) of the Food Stamp Act of 1977
2 (7 U.S.C. 2013(b));

3 “(v) the commodity distribution pro-
4 gram established under section 4 of the
5 Agriculture and Consumer Protection Act
6 of 1973 (Public Law 93–86; 7 U.S.C. 612c
7 note);

8 “(vi) the commodity supplemental
9 food program established under section 5
10 of the Agriculture and Consumer Protec-
11 tion Act of 1973 (Public Law 93–86; 7
12 U.S.C. 612c note); and

13 “(vii) a nutrition program carried out
14 under part C of title III of the Older
15 Americans Act of 1965 (42 U.S.C. 3030e
16 et seq.).

17 “(2) PURCHASES.—Notwithstanding any other
18 provision of law, in purchasing peanuts or peanut
19 products to carry out a covered program, the Sec-
20 retary shall—

21 “(A) purchase the peanuts or peanut prod-
22 ucts at a price that is not more than the pre-
23 vailing world market price for peanuts or pea-
24 nut products produced in the United States, as
25 determined by the Secretary; and

1 “(B) in the case of peanut purchases, pur-
2 chase only additional peanuts.

3 “(3) DOMESTIC EDIBLE USE.—Notwithstanding
4 any other provision of law, additional peanuts pur-
5 chased by the Secretary to carry out a covered pro-
6 gram shall not be considered to be peanuts for do-
7 mestic edible use under the Agricultural Adjustment
8 Act of 1938 (7 U.S.C. 1281 et seq.) or Agricultural
9 Market Transition Act (7 U.S.C. 7201 et seq.).

10 “(4) SUPPLY.—The Secretary shall take such
11 actions as are necessary to ensure, to the maximum
12 extent practicable, that an adequate supply of addi-
13 tional peanuts is available to carry out covered pro-
14 grams.

15 “(5) PENALTIES.—Notwithstanding any other
16 provision of law, a person that produces additional
17 peanuts that are sold to the Secretary, or sells addi-
18 tional peanuts to the Secretary, for a covered pro-
19 gram shall not be subject to a penalty or other sanc-
20 tion for the production or sale of the additional pea-
21 nuts.”.

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