

107TH CONGRESS  
1ST SESSION

# S. 130

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.

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IN THE SENATE OF THE UNITED STATES

JANUARY 22, 2001

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

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## 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.

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 “Food Security and  
5       Land Stewardship Act of 2001”.

1 **SEC. 2. FLEXIBLE FALLOW PROGRAM.**

2 (a) IN GENERAL.—Section 132 of the Agricultural  
3 Market Transition Act (7 U.S.C. 7232) is amended by  
4 adding at the end the following:

5 “(g) FLEXIBLE FALLOW PROGRAM.—

6 “(1) DEFINITION OF TOTAL PLANTED ACRE-  
7 AGE.—In this subsection, the term ‘total planted  
8 acreage’ means the cropland acreage of a producer  
9 that for the 2000 crop year was—

10 “(A) planted to a loan commodity;

11 “(B) prevented from being planted to a  
12 loan commodity; or

13 “(C) fallow as part of a fallow rotation  
14 practice with respect to a loan commodity, as  
15 determined by the Secretary.

16 “(2) AUTHORITY.—In lieu of receiving a loan  
17 rate under subsections (a) through (f), a producer,  
18 with respect to production eligible for a loan under  
19 section 131, may elect to participate in a flexible fal-  
20 low program for any of the 2001 or 2002 crops  
21 under which annually—

22 “(A) the producer determines which acres  
23 of the total planted acreage are assigned to a  
24 specific loan commodity;

25 “(B) the producer determines—

1           “(i) the projected percentage reduc-  
2           tion rate of production of the specific loan  
3           commodity based on the acreage assigned  
4           to the loan commodity under subparagraph  
5           (A); and

6           “(ii) the acreage of the total planted  
7           acreage of the producer to be set aside  
8           under clause (i), regardless of whether the  
9           acreage is on the same farm as the acreage  
10          planted to the specific loan commodity;

11          “(C) based on the projected percentage re-  
12          duction rate of production as a result of the  
13          acreage set aside under subparagraph (B), the  
14          producer receives the loan rate for each loan  
15          commodity produced by the producer, as deter-  
16          mined under paragraph (3); and

17          “(D) the acreage planted to loan commod-  
18          ities for harvest and set aside under this sub-  
19          section is limited to the total planted acreage of  
20          the producer.

21          “(3) LOAN RATES.—

22                 “(A) IN GENERAL.—Subject to subpara-  
23                 graphs (B) and (C), in the case of a producer  
24                 of a loan commodity that elects to participate  
25                 in the flexible fallow program under this sub-

1 section, the loan rate for a marketing assistance  
 2 loan under section 131 for a crop of the loan  
 3 commodity shall be based on the projected per-  
 4 centage reduction rate of production determined  
 5 by the producer under paragraph (2)(B), in ac-  
 6 cordance with the following table:

<b>“Pro- jected Per- centage Reduc- tion Rate</b>	<b>Corn Loan Rate (\$/bush- el)</b>	<b>Wheat Loan Rate (\$/bushel)</b>	<b>Soybean Loan Rate (\$/bushel)</b>	<b>Upland Cotton Loan Rate (\$/pound)</b>	<b>Rice Loan Rate (\$/hun- dred- weight)</b>
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.

7 “(B) COUNTY AVERAGE YIELDS.—

1           “(i) IN GENERAL.—The loan rate for  
2           a marketing assistance loan made to a pro-  
3           ducer for a crop of a loan commodity  
4           under subparagraph (A) shall apply with  
5           respect to the production of the crop of the  
6           loan commodity by the producer in a quan-  
7           tity that does not exceed the historical  
8           county average yield for the loan com-  
9           modity established by the National Agri-  
10          cultural Statistics Service, adjusted for  
11          long-term yield trends.

12          “(ii) EXCESS PRODUCTION.—The loan  
13          rate for a marketing assistance loan made  
14          to a producer for a crop of a loan com-  
15          modity under subparagraph (A) with re-  
16          spect to the production of the crop of the  
17          loan commodity in excess of the historical  
18          county average yield for the loan com-  
19          modity described in clause (i) shall be  
20          equal to the loan rate established for a 0%  
21          projected percentage reduction rate for the  
22          loan commodity under subparagraph (A).

23          “(iii) DISASTERS.—

24                 “(I) IN GENERAL.—If the pro-  
25                 duction of a crop of a loan commodity

1 by a producer is less than the histor-  
2 ical county average yield for the loan  
3 commodity described in clause (i) as a  
4 result of damaging weather, an insur-  
5 able peril, or related condition, the  
6 producer may receive a payment on  
7 the lost production that shall equal  
8 the difference between—

9 “(aa) the maximum quantity  
10 of loan commodity that could  
11 have been designated for the loan  
12 rate authorized under this sub-  
13 section for the producer; and

14 “(bb) the quantity of loan  
15 commodity the producer was able  
16 to produce and commercially  
17 market.

18 “(II) CALCULATION OF PAY-  
19 MENT.—The payment described in  
20 subclause (I) shall be equal to the  
21 loan deficiency payment the producer  
22 could have received on the lost pro-  
23 duction on any date, selected by the  
24 producer, on which a loan deficiency

1                    payment was available for that crop of  
2                    the loan commodity.

3                    “(C) OTHER LOAN COMMODITIES.—In the  
4                    case of a producer of a loan commodity not cov-  
5                    ered by subparagraphs (A) and (B) that elects  
6                    to participate in the flexible fallow program  
7                    under this subsection, the loan rate for a mar-  
8                    keting assistance loan under section 131 for the  
9                    crop of the loan commodity shall be based on—

10                    “(i) in the case of grain sorghum, bar-  
11                    ley, and oats, such level as the Secretary  
12                    determines is fair and reasonable in rela-  
13                    tion to the rate that loans are made avail-  
14                    able for corn, taking into consideration the  
15                    feeding value of the commodity in relation  
16                    to corn;

17                    “(ii) in the case of extra long staple  
18                    cotton, such level as the Secretary deter-  
19                    mines is fair and reasonable; and

20                    “(iii) in the case of oilseeds other than  
21                    soybeans, such level as the Secretary deter-  
22                    mines is fair and reasonable in relation to  
23                    the loan rate available for soybeans, except  
24                    that the rate for the oilseeds (other than  
25                    cottonseed) shall not be less than the rate

1           established for soybeans on a per-pound  
2           basis for the same crop.

3           “(4) CONSERVATION USES.—

4           “(A) IN GENERAL.—Subject to subpara-  
5           graph (C), to be eligible for a loan rate under  
6           this subsection, a producer shall—

7           “(i) devote all acreage set aside under  
8           this section to an annual conservation use  
9           approved by the Secretary; and

10          “(ii) manage the set-aside acreage  
11          using practices designed to enhance soil  
12          conservation and wildlife habitat.

13          “(B) LIMITED GRAZING.—The Secretary  
14          may permit limited grazing on the set-aside  
15          acreage where the grazing is incidental to the  
16          gleaning of crop residues on adjacent fields.

17          “(C) OTHER CONTRACTS.—A producer  
18          may enter into a contract that requires  
19          multiyear conservation uses of the set-aside  
20          acreage approved by the Secretary, including  
21          carbon sequestration and recreational uses.

22          “(5) CERTIFICATION.—To be eligible to partici-  
23          pate in the flexible fallow program for the 2001 or  
24          2002 crops, a producer shall certify to the Secretary  
25          (by farm serial number) the total planted acreage

1 assigned, planted, and set aside with respect to each  
2 loan commodity.”.

3 (b) CONFORMING AMENDMENTS.—Section 132 of the  
4 Agricultural Market Transition Act (7 U.S.C. 7232) is  
5 amended—

6 (1) in subsection (a)(1)(B), by striking “\$2.58”  
7 and inserting “\$2.75”; and

8 (2) in subsection (f)(1), by striking subpara-  
9 graph (B) and inserting the following:

10 “(B) not more than \$4.72 per bushel.”.

11 (c) CROPS.—This section and the amendments made  
12 by this section shall apply to each of the 2001 and 2002  
13 crops of a loan commodity (as defined in section 102 of  
14 the Agricultural Market Transition Act (7 U.S.C. 7202)).

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