

I know that the Historically Black Colleges and Universities and the Hispanic-serving institutions would also have an opportunity to join in, who know probably this issue and this problem almost better than anyone else. So I rise in support of the amendment.

Mr. DOOLEY of California. Mr. Chairman, I yield 2 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the gentleman from California for yielding me time. Let me applaud the gentleman for his leadership on this very important issue.

Mr. Chairman, I rise to support the farm bill because I believe this is an important investment in America's future. Farm security, investment in the food chain and recognizing that as we look to a new day in securing America, we are going to have to look to the investment in our farmers, small and large.

At the same time, I believe the Dooley amendment provides the opportunity to take just a small measure of dollars, \$100 million, to provide cutting-edge research and technological development as the keys to our Nation's competitiveness in an increasingly global trade market for agricultural products. If we do not invest in the cutting-edge technology, we cannot be in front of the curve to be able to be competitive, to be able to reach the pinnacle, if you will, of the kind of agricultural development that will make us internationally competitive.

Let me also thank the gentleman from California (Mr. DOOLEY) for recognizing that the land grant colleges, historically black colleges and the Hispanic-serving colleges can be very much a vital part of this research. May I remind everyone of Booker T. Washington and as well George Washington Carver, Booker T. Washington with the Tuskegee Institute and as well George Washington Carver invested in the understanding of farming. These institutions are able to provide the cultural insight and the rural insight into research, and it helps them to develop individuals who will be leaders in research as it relates to competitiveness in agriculture.

I would simply say this is a mere drop in the bucket. I do not want to diminish the amendment, but it certainly is a worthwhile amendment. I ask all my colleagues in a bipartisan way to support the Dooley amendment.

Mr. DOOLEY of California. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I rise asking my colleagues to support this amendment. I will tell you how it even impacts me personally. Over 10 years ago, when I came into Congress, I was a full-time farmer. At that time we were producing about on our cotton fields in the San Joaquin Valley about 1,000

pounds per acre of cotton. Today we are producing almost 1,800 pounds of cotton. The financial viability of my farm was not the result of program payments that are coming to us from the Federal Government. The profitability of my farm is much more a function of the investment in research that has resulted in improved varieties that have enhanced yields.

That is the crux of this amendment. It is taking one cent out of every dollar that we would be providing in direct payments and investing it in research so we can continue to see improvements in yields, so we can see improvements in productivity. That has far more to do with the financial viability of farmers than the \$100 million we are providing in direct payments to farmers. That is not an investment in the future.

I just ask my colleagues to step back and take an honest and objective evaluation of what this amendment is all about. It is taking one penny of every dollar in taxpayer subsidies and saying let us invest it in research, let us invest it in the future, et cetera, et cetera. The farmers will see an enhanced level of productivity which will be more to their bottom line than these direct taxpayer payments.

I ask my colleagues to support this amendment.

Mr. COMBEST. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The question is on the amendment offered by the gentleman from California (Mr. DOOLEY).

The amendment was rejected.

Mr. COMBEST. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mrs. EMERSON) having assumed the chair, Mr. HASTINGS of Washington, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2646) to provide for the continuation of agricultural programs through fiscal year 2011, had come to no resolution thereon.

LIMITATION ON AMENDMENTS DURING FURTHER CONSIDERATION OF H.R. 2646, FARM SECURITY ACT OF 2001

Mr. COMBEST. Madam Speaker, I ask unanimous consent that during further consideration of H.R. 2646 in the Committee of the Whole pursuant to House Resolution 248, that debate on amendment No. 47 and all amendments thereto shall not exceed 55 minutes, with 45 minutes equally divided and controlled by the proponent and an opponent, and 10 minutes controlled by the gentleman from Wisconsin (Mr. OBEY); and that no further amendment may be offered after the legislative day of Thursday, October 4, 2001, except one

pro forma amendment each offered by the chairman or ranking minority member of the Committee on Agriculture or their designees for the purpose of debate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. COMBEST. Madam Speaker, I ask unanimous consent that on amendment No. 11 to be offered by the gentlewoman from California (Mrs. BONO), that time be limited to 20 minutes on the amendment and all amendments thereto, equally divided by the proponent and an opponent.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. SANDERS. Madam Speaker, I wanted to make sure there will be another amendment from the gentleman from Louisiana (Mr. VITTER) included within my time. I would hope there would be no objection to that.

Mr. COMBEST. Madam Speaker, the gentleman would not be prevented from offering other amendments, which would be included in the time of the gentleman from Vermont (Mr. SANDERS).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

FARM SECURITY ACT OF 2001

The SPEAKER pro tempore. Pursuant to House Resolution 248 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2646.

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IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2646) to provide for the continuation of agricultural programs through fiscal year 2011, with Mr. HASTINGS of Washington (Chairman pro tempore) in the Chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose earlier today, amendment No. 19 printed in the CONGRESSIONAL RECORD offered by the gentleman from California (Mr. DOOLEY) had been disposed of.

Pursuant to the order of the House of today, debate on amendment No. 47 and all amendments thereto shall not exceed 55 minutes, with 45 minutes equally divided and controlled by the proponent and an opponent, and 10 minutes controlled by the gentleman from Wisconsin (Mr. OBEY); and no further amendment may be offered after the legislative day of today, except one pro forma amendment each offered by the chairman and ranking minority member of the Committee on Agriculture or their designees for the purpose of debate, and any debate on the Bono

amendment No. 11, which will be limited to 20 minutes, equally divided.

Are there any amendments to the bill?

AMENDMENT NO. 23 OFFERED BY MR. GILCHREST

Mr. GILCHREST. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 23 offered by Mr. GILCHREST:

At the end of title II, insert the following:

Subtitle H—Conservation Corridor Program
SEC. 271. CONSERVATION CORRIDOR PROGRAM.

(a) PURPOSE.—The purpose of this subtitle is to provide for the establishment of a program that recognizes the leveraged benefit of an ecosystem-based application of the Department of Agriculture conservation programs, addresses the increasing and extraordinary threats to agriculture in many areas of the United States, and recognizes the importance of local and regional involvement in the protection of economically and ecologically important farmlands.

(b) ESTABLISHMENT.—The Secretary of Agriculture (in this subtitle referred to as the “Secretary”) shall establish a Conservation Corridor Program through which States, local governments, tribes, and combinations of States may submit, and the Secretary may approve, plans to integrate agriculture and forestry conservation programs of the United States Department of Agriculture with State, local, tribal, and private efforts to address farm preservation, water quality, wildlife, and other conservation needs in critical areas, watersheds, and corridors in a manner that enhances the conservation benefits of the individual programs, tailors programs to State and local needs, and promotes and supports ecosystem and watershed-based conservation.

(c) MEMORANDUM OF AGREEMENT.—On approval of a proposed plan, the Secretary may enter into a memorandum of agreement with a State, a combination of States, local governments, or tribes, that—

(1) guarantees specific program resources for implementation of the plan;

(2) establishes different or automatic enrollment criteria than otherwise established by regulation or policy, for specific levels of enrollments of specific conservation programs within the region, if doing so will achieve greater conservation benefits;

(3) establishes different compensation rates to the extent the parties to the agreement consider justified;

(4) establishes different conservation practice criteria if doing so will achieve greater conservation benefits;

(5) provides more streamlined and integrated paperwork requirements; and

(6) otherwise alters any other requirement established by United States Department of Agriculture policy and regulation to the extent not inconsistent with the statutory requirements and purposes of an individual conservation program.

SEC. 272. CONSERVATION ENHANCEMENT PLAN.

(a) PREPARATION.—To be eligible to participate in the program under this subtitle, a State, combination of States, political subdivision or agency of a State, tribe, or local government shall submit to the Secretary a plan that proposes specific criteria and commitment of resources in the geographic region designated, and describes how the linkage of Federal, State, and local resources will—

(1) improve the economic viability of agriculture by protecting contiguous tracts of land;

(2) improve the ecological integrity of the ecosystems or watersheds within the region by linking land with high ecological and natural resource value; and

(3) in the case of a multi-State plan, provide a draft memorandum of agreement among entities in each State.

(b) SUBMISSION AND REVIEW.—Within 90 days after receipt of the conservation plan, the Secretary shall review the plan and approve it for implementation and funding under this subtitle if the Secretary determines that the plan and memorandum of agreement meet the criteria specified in subsection (c).

(c) CRITERIA FOR PARTICIPATION.—The Secretary may approve a plan only if, as determined by the Secretary, the plan provides for each of the following:

(1) Actions taken under the conservation plan are voluntary and require the consent of willing landowners.

(2) Criteria specified in the plan and memorandum of agreement assure that enrollments in each conservation program incorporated through the plan are of exceptionally high conservation value.

(3) The program provides benefits greater than the benefits that would likely be achieved through individual application of the federal conservation programs because of such factors as—

(A) ecosystem- or watershed-based enrollment criteria;

(B) lengthier or permanent conservation commitments;

(C) integrated treatment of special natural resource problems, including preservation and enhancement of natural resource corridors; and

(D) improved economic viability for agriculture.

(4) Staffing and marketing, considering both Federal and non-Federal resources, are sufficient to assure program success.

(d) APPROVAL AND IMPLEMENTATION.—Within 90 days after approval of a conservation plan, the Secretary shall begin to provide funds for the implementation of the plan.

(e) PRIORITY.—In carrying out this section, the Secretary shall give priority to multi-State or multi-tribal plans.

SEC. 273. FUNDING REQUIREMENTS.

(a) COST-SHARING.—As a further condition on the approval of a conservation plan submitted by a non-Federal interest to contribute at least 20 percent of the total cost of the Conservation Corridor Program.

(b) EXCEPTION.—The Secretary may reduce the cost-share requirement in the case of a specific activity under the Conservation Corridor Program on good cause and demonstration that the project or activity is likely to achieve extraordinary natural resource benefits.

(c) COORDINATION.—The Secretary shall require that non-Federal interests contributing financial resources for the Conservation Corridor Program shall implement streamlined paperwork requirements and other procedures to allow for integration with the Federal programs for participants in the program.

(d) RESERVATION OF FUNDS.—The Secretary shall direct funds on a priority basis to the Conservation Corridor Program and to projects in areas identified by the plan.

(e) ADMINISTRATION.—A State may submit multiple plans, but the Secretary shall assure opportunity for submission by each State. Acreage committed as part of approved Conservation Reserve Enhancement Programs shall be considered acreage of the Conservation Reserve Program committed to a Conservation Enhancement Program.

Amend the table of contents accordingly.

Mr. GILCHREST. Mr. Chairman, we have an amendment that deals with a

concept known as the “conservation corridor.” A conservation corridor would use existing agricultural and forest conservation practices to ensure a steady contiguous land mass for the purpose of protecting, enhancing and making agriculture profitable. In accordance with the conservation programs in the Department of Agriculture, we want to make a conservation corridor.

I have discussed this with the committee and a number of members on the committee; and at this point, to discuss further this issue, I would like to yield to the gentleman from California (Mr. POMBO).

Mr. POMBO. Mr. Chairman, I have discussed in great detail the gentleman's amendment. I do not oppose in concept what the gentleman is trying to do, but I do have some concerns with some of the language that is in the bill and some of the impacts nationwide of his amendment.

I would like to ask the gentleman if he would be willing to make this a pilot program to work on the language and withdraw his amendment. If he is willing to do that, I would do everything in my power to rewrite the amendment and to work with the gentleman and to try to get this included in the final bill in conference.

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Mr. GILCHREST. Mr. Chairman, we have discussed this. We do accept the fact that we will make it a pilot project in an area, a geographic area in my district known as the Delmarva Peninsula. It is a peninsula that includes part of Maryland, all of Delaware, and part of Virginia; and we will create a conservation corridor which will be conducive for agriculture to be profitable.

Mr. Chairman, I ask unanimous consent that my amendment be withdrawn.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). Is there objection to the request of the gentleman from Maryland?

There was no objection.

AMENDMENT NO. 15 OFFERED BY MRS. CLAYTON

Mrs. CLAYTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 15 offered by Mrs. CLAYTON:

At the end of the bill add the following:

TITLE X—USE OF AMOUNTS PROVIDED FOR FIXED, DECOUPLED PAYMENTS TO PROVIDE NECESSARY FUNDS FOR RURAL DEVELOPMENT PROGRAMS.

SEC. 1001. USE OF AMOUNTS PROVIDED FOR FIXED, DECOUPLED PAYMENTS TO PROVIDE NECESSARY FUNDS FOR RURAL DEVELOPMENT PROGRAMS.

(a) IN GENERAL.—Notwithstanding section 104 of this Act, in each of fiscal years 2002 through 2011, the Secretary of Agriculture shall—

(1) reduce the total amount payable under section 104 of this Act, on a pro rata basis, so that the total amount of such reductions equals \$100,000,000; and

(2) expend—

(A) \$45,000,000 for grants under 306A of the Consolidated Farm and Rural Development Act (relating to the community water assistance grant program);

(B) \$45,000,000 for grants under 613 of this Act (relating to the pilot program for development and implementation of strategic regional development plans); and

(C) \$10,000,000 for grants under section 231(a)(1) of the Agricultural Risk Protection Act of 2000 (relating to value-added agricultural product market development grants).

(b) RELATED AMENDMENTS.—Section 613 of this Act is amended—

(1) in subsection (a)(1), by striking “select 10 States” and inserting “, on a competitive basis, select States”;

(2) in subsection (a)(3)(A), by inserting “, plus $\frac{2}{13}$ of the amounts made available by section 1001(a) of the Farm Security Act of 2001 for grants under this section,” after “Corporation”; and

(3) in subsection (b)(2)(A), insert “, plus $\frac{1}{13}$ of the amounts made available by section 1001(a) of the Farm Security Act of 2001 for grants under this section,” after “Corporation”.

Mrs. CLAYTON. Mr. Chairman, my understanding is that there is 20 minutes. So the gentleman from Pennsylvania (Mr. PETERSON) would have 10 minutes, and I would have 10 minutes and then 20 minutes in opposition. Is that correct?

Mr. COMBEST. Mr. Chairman, the chair would be agreeable to that if the gentlewoman is proposing that unanimous consent on her amendment.

The CHAIRMAN pro tempore. Is the gentlewoman asking for unanimous consent for 40 minutes of debate on this amendment, 20 minutes on each side, with the option on the gentlewoman's side of having that further divided to 10 minutes each, and all amendments thereto?

Mrs. CLAYTON. That is correct.

The CHAIRMAN pro tempore. Is there objection to the request of the gentlewoman from North Carolina?

There was no objection.

Mrs. CLAYTON. Mr. Chairman, I yield myself such time as I may consume.

I come before this body again to seek additional resources for our struggling and rural communities, along with a safety net for our farmers. Both I think can happen.

Clearly, agriculture has long played and continues to play an important role in the well-being of rural America. That is why I support the Farm Security Act of 2001. It provides a strong, generous safety net for the American agriculture producers in trying times for the farm economy.

A farm safety net will provide refuge for our farmers during times of economic hardship. This is as it should be. But we must ask ourselves, will this farm safety net create non-farm jobs. Will this safety net help our rural communities deal with a multi-billion dollar backlog of unfunded infrastructure projects? Will the safety net increase the economic well-being of workers who have to drive 60 miles round trip to work at a Wal-Mart at \$6.25 an hour? Will it provide running water for the 1

million rural Americans who still, still today, do not have running water in their homes? Will it prevent a great hollowing out of rural America that is currently taking place by young people and our most productive citizens moving away for a better opportunity?

I say with deep regret and disappointment that the answer to these questions is no. No. This Congress must begin thinking of rural America, not just as the farmers who struggle with low commodity prices, though I have many farmers in that category; though we should help them and we must help them, but we must start thinking about rural America as a woman driving 60 miles round trip just to get \$6.25 an hour and cannot support her family. We must do more for rural America, and I believe we can start with this farm bill.

That is why I am offering an amendment with my colleague to increase rural development funding in this farm bill by an additional \$1 billion over 10 years. I am aware and very appreciative of what this committee has done. The chairman and the ranking member have provided leadership in this area. They have invested \$1 billion. I am simply saying that an additional \$1 billion out of a total budget of more than \$171 billion is a very small investment to pay. In fact, this amendment is both for the farmers, it is for their neighbors, as well as their communities.

Mr. Chairman, I reserve the balance of my time.

Mr. COMBEST. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if the time was not divided by the gentlewoman's unanimous consent agreement, then I ask unanimous consent that the gentleman from Texas (Mr. STENHOLM) have half the time in opposition.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. COMBEST. Mr. Chairman, I rise in opposition to the amendment, and I yield myself such time as I may consume.

Again, I want to thank the gentlewoman from North Carolina for all of the many things she has contributed to agriculture and that we have worked with throughout this entire process.

All of us support rural development. It is critical to all of us who come from rural America. Rural development is something that we see every day when we go to our small towns, and we have seen the progress of it. But again, my objection to this would be the same as it was to the Dooley amendment and the same as it was to Boswell amendment, and that is that we have this balance and we, fortunately, have so far been able to protect it. It does not say anything about a negative feeling toward rural development. I am totally supportive of rural development.

Mr. Chairman, we have added rural development funds into the bill. We

just have not had enough to go around. I appreciate the gentlewoman's tenacity and how hard she works on this subject, and I think she knows how much I respect her and appreciate her. However, I do rise in opposition.

Mr. Chairman, I reserve the balance of my time.

Mr. PETERSON of Pennsylvania. Mr. Chairman, I rise to join the gentlewoman from North Carolina to offer this amendment and to support it, and I yield myself such time as I may consume.

This farm bill spends many billions supporting our farmers, but it does too little to assist rural communities where farm families live and raise their families. We are asking for a crumb from the table, Mr. Chairman, \$100 million out of a \$50 billion pot of money; less than 2 percent. A crumb for rural America. Not a whole cookie, not a slice of the pie, just a crumb.

Who lives in rural America today? A lot of ex-farmers. The majority of people living in rural farm towns are not farmers. A lot of ex-farmers, a lot of ex-oil workers. A lot of ex-miners as our mines have been closed. A lot of ex-loggers as our forests are locked up from logging. A lot of ex-manufacturers, as small manufacturing plants have left, too often, small rural communities.

A lot of ex-utility employees. My gas companies come now, I am from Pennsylvania, from New York, and all of the staff and all of the support offices from out of New York State. Very few of them come from my area. My electric company now is out of New Jersey and will soon be out of Ohio, and all of the staff and all of the support people that help run our communities are no longer there. My telephone company comes from New York also. Those were people who made up the rural communities and helped lead them.

Our ex-bank employees, as bank mergers have devastated rural communities. Three regional banks in my area are all now governed out of an Ohio bank. All of those support offices, all of those people who made up our communities are now living in large cities and neighboring States.

Rural is much more than agriculture, and the future and success of our Nation's family farms are critically linked to the economies of rural communities. Only 6.3 percent of rural Americans live on farms and 50 percent of those farm families have significant off-farm income. That is why we need communities to support them. Farming accounts for only 7.6 percent of rural employment, and 90 percent of rural workers have non-farm jobs to help make it work.

Rural employment is still dominated by low-wage industries. In 1996, 23 percent of rural workers were employed in the service sector. Rural workers are nearly twice as likely to earn the minimum wage: 12 percent in rural, 7 percent in urban. Rural workers remain more likely to be underemployed and

are less likely to improve their employment circumstances over time, and 40 percent less likely to move out of low-wage jobs than central city residents.

Of the 250 poorest counties in America, 244 of them are rural, only 6 urban. In general, poverty rates are higher in rural than in urban areas: 15.9 percent rural, 12.6 percent urban. Rural families are more likely to be employed and still poor. In 1995, 60 percent of rural poor families worked some time during the year; 24 percent worked full time. Rural America has been exporting our brightest young people for years. We must reverse that trend. Rural communities need our help to plan and build a stronger economy for the future.

I am here today to support this because the President said in his letter about this farm bill: "The Farm Security Act 2001," the administration said, "as drafted, misses the opportunity to modernize the Nation's farm programs through market-oriented tools, innovative environmental programs, including extending benefits to workers, lands and aid programs that are consistent with our trade agenda." Our amendment redirects money to market-oriented tools, innovative and environmental programs by redirecting money to the value-added market programs to have clean drinking water.

Yes, ours is about clean drinking water grants, ours is about rural strategies and planting grants, ours is about helping farmers to value add to their products, helping farmers further process their products and get a decent price out of them; helping farmers be successful getting what their products are worth.

I am pleased to join the gentlewoman in supporting this amendment, and I ask my colleagues to do likewise.

Mr. Chairman, I reserve the balance of my time.

Mrs. CLAYTON. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey (Mr. MENENDEZ).

(Mr. MENENDEZ asked and was given permission to revise and extend his remarks.)

Mr. MENENDEZ. Mr. Chairman, clean water should be a national priority; and, in part, that is why I support this amendment. Clean water is vital to the urban community that I represent, but it is just as vital to the rural communities that would directly benefit from this amendment. It is essential to the quality of life of every resident in every community, every family, and every business. There are simply no exceptions.

Many rural communities have a critical need for improved infrastructure such as water filtration and waste water systems, but without the infrastructure to provide for clean water, public health and the environment suffers greatly, and these communities are unable to attract new and viable businesses.

The USDA acknowledged this problem in a State-by-State analysis. It

was found that 2.5 million Americans had a critical need for safe drinking water. This number includes almost 1 million Americans who had no water piped into their homes primarily because they could not afford it. Estimates on updating water systems go well into the billions, and rural communities just do not have the money. They lack the local tax base to tackle this problem alone, and that is why it is up to Congress to commit the funding that will bring clean water to these communities, or this need will never be adequately addressed.

Mr. Chairman, rural Americans should not have to leave their homes for urban centers to ensure that they will have access to clean water.

Another fundamental need in rural communities is the need for professional staff to conduct strategic planning. This amendment would expand the strategic planning initiative in funding and scope and would empower rural communities to solve this problem at the local level.

Rural communities often find themselves without a means to improve their local economies, and I believe this adversely affects the national economy. By passing this amendment today, Congress will help ensure that these communities participate in the national economy, in realizing the hopes and dreams of their citizens, in making sure that many citizens of minority communities who live in rural America will have their opportunity of fulfilling the American dream.

Mr. Chairman, I am very happy to support the gentlewoman in her amendment, and I would hope that many of my colleagues who do not come from rural America will come here and support this amendment as well.

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Mr. LUCAS of Oklahoma. Mr. Chairman, I yield 6 minutes to the gentlewoman from Missouri (Mrs. EMERSON).

Mrs. EMERSON. Mr. Chairman, I want to take a few minutes here to commend my fellow co-chair of the Rural Caucus for her incredible work on this amendment, as well as my colleague and other fellow member of the Rural Caucus, the gentleman from Pennsylvania (Mr. PETERSON).

This is very, very important; and it is particularly important because I do not think that the current farm bill or the newly written Farm Security Act, while substantially increasing the funds for rural development, quite frankly, they do not go far enough.

As one who represents the largest district geographically in the State of Missouri, the poorest district, and one which is heavily reliant not only on agriculture but also on tourism, mining, and the forest products industry, we are seeing very tough times in rural America.

Not only do we need access to the Internet; we have a desperate need for critical health care services, for a

transportation system that is safe and reliable; fundamental needs, as the gentleman from New Jersey was stating, like safe drinking water. These are basic things that folks in suburban areas are very accustomed to, but we do not have them in the rural parts of this country.

In saying that, I know that the Clayton-Peterson amendment commits substantial amounts of money to infrastructure. I would like to ask the gentlewoman from North Carolina to elaborate a little bit on that.

Mrs. CLAYTON. Mr. Chairman, will the gentlewoman yield?

Mrs. EMERSON. I yield to the gentlewoman from North Carolina.

Mrs. CLAYTON. Mr. Chairman, the infrastructure provisions in this amendment provide \$45 million annually for 10 years and would allow communities that the gentlewoman and I know are 5,000, 3,000, small communities, and even nonprofit organizations in the unincorporated areas, to have grant assistance along with the loans that they must incur while increasing their tax indebtedness in order to have water systems. So that is for clean water as well as for wastewater facilities.

The other part is the strategic planning, which those in the urban areas take for granted. They get a larger percentage of Federal resources because they have people who can do that.

Those of us who live in rural areas, if we look at the Federal resources, it is mostly transfer of payments: Medicare, Social Security, assistance to families with children. We do not get the community development planning, we do not get big sums of economic development, we do not get big sums of housing, and we do not compete well in those competitive grants. So this would allow us an additional \$45 million to have strategic planning and coordination and implementation of that. Very similar to what the gentlewoman was so creative in moving in the Delta, to have them get grant assistance. We are just marrying this up.

Finally, the value-added. That is simply giving our farmers the ability to add long-term profitability by adding new value and services to their raw commodities.

So I thank the gentlewoman for allowing me to expand on that.

Mrs. EMERSON. I thank the gentlewoman, and it is kind of like a quiver through my heart when I say to her, what about all of my farmers who have large, or not large, but medium-sized farms by, I guess, Western standards?

The part that worries me about that, I think the amendment is tremendous, but it is costly. I worry about my rice farmers, my cotton farmers, people who are hanging on by a little thread, and the extra money we would have to take away with that.

I want desperately to be able to support this, Mr. Chairman.

Mrs. CLAYTON. Mr. Chairman, if the gentlewoman will yield further, I understand that. I represent a large farm

area. I represent the largest number of farmers in North Carolina. The area desperately needs the commodities, they depend on those.

But I know my farmers understand what shared sacrifice means, and they would understand that they would want to have clean water in their communities. They would want to support their neighbors, their communities.

So yes, it will take monies that are needed by commodities, but we have been, I think, in some ways very generous, though not too generous. So it would be, indeed, a shared sacrifice.

I am going to vote for the bill, you understand, but I cannot deny, we are asking them to share. We are asking them to share 2 percent, 2 percent. For what? For making rural America a far more viable community. The gentlewoman and I know that only 6 percent of all the people who live in rural America are on the farm. Less than 3 percent of them actually get all their income from farms, so this will go to 93 percent of everybody who lives in rural America.

My farmers are more generous than that, they do not mind sharing. I know the gentlewoman's farmers will understand that if she explains it to them.

Mrs. EMERSON. I am feeling guilty.

Mr. Chairman, I totally agree that we have to make a much larger monetary investment in rural America, but beyond the traditional commodity programs that have been a staple of our farm bills in the past, because it is critical that we develop a lasting infrastructure.

Mrs. CLAYTON. And I ask the gentlewoman to take that lead. That is all I am saying.

Mrs. EMERSON. Mr. Chairman, I feel very strongly about everything the gentlewoman is proposing. Perhaps in conference or in the Senate, perhaps someone can help us find the extra money.

At this time I am afraid that I would not be doing right by my farmers, but I appreciate it.

Mrs. CLAYTON. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Chairman, I will not even take the 2 full minutes, but I do want to rise in support of this amendment.

This amendment would add resources to help rural communities improve their drinking water and wastewater infrastructure. Water quality is a critical component of public health, and an important determinant of the standard of living.

It also contributes to the economic viability of rural communities. According to the EPA, small community water systems will need a large infusion of funding to meet the needs of their residents and economies over the coming years.

This amendment would provide an additional \$45 million a year. It is a modest amendment. It would take less than 2 percent of the fixed payments

designated for commodities and redirect the resources to these other underfunded programs that benefit rural communities.

I urge all my colleagues, whether they are from an urban area or a rural area, to support this much needed amendment.

Mr. LUCAS of Oklahoma. Mr. Chairman, I reserve the balance of my time.

Mr. PETERSON of Pennsylvania. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we have heard today that this would harm the commodity programs. I believe that 2 percent would not ruin any program. It is important that the communities that our farmers live and raise their families in are good, solid communities and have the leadership they need.

Our rural communities are struggling. They are the most struggling part of America. This Congress has reached out historically and helped urban communities. We have all supported that. Now it is time to help rural America.

We have lost farming, in many ways. We have lost mining. We have lost resource drilling, oil and gas drilling. We have lost our local banks. We have lost our local utilities. Rural America is a different place today than it was 10 years ago. It has not enjoyed the boom that was in this country for the last 10 years.

The highest unemployment in this country is in rural America. The most underemployment in this country is in rural America. The most dilapidated housing in this country is in rural America. These are the communities our farms live in.

USDA, in their "Food and Agriculture Policy: Taking Stock for the New Century," say seven out of eight rural counties are dominated by a mixture of manufacturing services and other non-farming activities. The next part is what is important. "Traditional commodity support and farming-oriented development programs play an increasingly limited role in improving the prosperity of rural America."

I am not here arguing against the commodity supports, but when Members support the farmer who is less than 10 percent of the community and he does not have a community to support him, we have left out an important ingredient of rural America. The community we live in, no matter what we do, is the most important part. We are putting the money back too often into rich farmers' hands; and we are forgetting the community that the small, poor farmer lives in and is struggling for his meager existence.

The farmers in my district are poor. They work the longest hours of anybody. They are struggling. We need communities to support them. This 2 percent of this \$5 billion a year is \$100 million. Let us put 2 percent into the rural infrastructure where our farm families live and raise their families.

Mr. Chairman, I reserve the balance of my time.

Mrs. CLAYTON. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Chairman, I thank the gentlewoman for yielding time to me. I appreciate the gentlewoman's courtesy in allowing me to speak on her amendment.

Mr. Chairman, I came to Congress committed to having the Federal Government be a better partner with our State and local governments, with private citizens, to help make our families safe, healthy, and more economically secure. It is hard to think of an approach that would do more for our families in rural America than is outlined in this proposal.

As a member of the Subcommittee on Water Resources and Environment, I know how critical those water needs are. They have been documented here on the floor already today. We know that we need to be doing more in terms of value-added agriculture that is going to be critical for farms, particularly small farms where people are most at risk. This is important investment.

But the area that I find most intriguing deals with giving planning resources to rural America. It has been a transformational effect in my State for communities large and small to be able to have the resources to be able to plan their future, to engage their citizens to be part of the solution, to go hunting for money, public and private. Sadly, the situation today is that rural communities do not have access to these critical planning resources.

I commend the committee, the ranking member, and the Chair for having stepped forward with the strategic planning initiative. I think it is going to pay huge dividends. But I fear the committee has sold itself short. It should not be limited to a few States. The most compelling part of this amendment to me is that it will give these rural communities throughout America opportunity to have access to them.

Mr. Chairman, I implore this body to give the tools to be able to manage their own destiny. I think it will pay dividends for years to come. I think as we look at the interesting coalition that has been assembled on behalf of this, it is reflective of new allies to help in the redevelopment of rural America.

I urge members to support this.

Mr. STENHOLM. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, this is the third good amendment that we have had tonight, each of which said if we just take a little bit from the base bill, we can do many more good things.

All of them have been good: \$20 billion for conservation, \$1 billion for research, and now \$1 billion for rural development.

I feel compelled again, though, to observe to the body, especially when I hear it referred to as the administration position, there is still no administration position on anything regarding

this bill, other than asking us to defer action; no specific recommendations, nothing that we can do, other than suggest that we agree with them. But no one has ever, including the Secretary of State today, said specifically what they are for or against. I wish it was not that way, because we perhaps could have had a much, much better bill, but we do not.

To those who talk about the lack of money today, the gentlewoman from Missouri (Mrs. EMERSON) and the gentlewoman from North Carolina (Mrs. CLAYTON) have every right to stand up and say "additional money" because they voted for the Blue Dog budget. They provided in the vote for the budget the amount of money they are asking for tonight.

But the gentleman from Pennsylvania (Mr. PETERSON) did not vote for it, and therefore I do not see how he can ask for additional money in the same way. I understand how the gentleman can, because I would like to support the gentleman. I happen to agree on water. I do not agree on the strategic planning. That was my idea. I think we ought to be slow on new programs.

□ 2045

We put \$15 million into this as a pilot project because this is a new program. I think we ought to be a little conservative and cautious before we head out on a new program and we ought to try it and that is what we do.

We put \$15 million. They suggest an additional \$45 million. On the water we put 30. They suggest an additional 45. On the value added, this was the chairman's proposal, he put 50. They add an additional 10. All of which are good and valid requests. But the problem we have again is as we have said over and over, we struck a very delicate balance between all competing interests, between our commodities, between conservation, between research, between rural development, between trade, between all of those competing interests in putting together the bill that comes from the committee.

So again, I must add my reluctant opposition to what no one can say is not worthwhile. But we had to live under a budget that was imposed on us by this body, \$73.5 billion, and that means we have to make some very tough allocation decisions. I feel compelled to stay with that decision we made and ask the body to reluctantly but firmly join in rejecting this amendment.

Mr. Chairman, I reserve the balance of my time.

Mrs. CLAYTON. Mr. Chairman, could I have the remaining time please?

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The gentlewoman from North Carolina (Mrs. CLAYTON) has 2 minutes remaining. The gentleman from Texas (Mr. STENHOLM) has 7 minutes remaining. The gentleman from Pennsylvania (Mr. PETERSON) has 2½ minutes remaining. The

gentleman from Oklahoma (Mr. LUCAS) has 3 minutes remaining.

Mrs. CLAYTON. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the gentlewoman for her leadership as well as the proponents of this legislation and this amendment.

As a Member of the Committee on Science, we spend a lot of time talking about clean drinking water. I respect the leaders of this legislation. They are respected Members of this House who know full well the needs of the agricultural community around the Nation. But I believe the importance of community water assistance grants are so very important that over the life of this farm bill, the \$1 billion that includes the community water assistance grants, but as well, strategic planning, coming from an area where we have begun to develop what we call superneighborhoods, the interest of communities in planning is very vital. But in particular, this whole idea of keeping the water safe and developing clean water in rural areas I think is crucial.

I know that in rural areas it has been long overdue. In the area that I know the gentlewoman from North Carolina (Mrs. CLAYTON) represents, I know we spent some time in her district, particularly when we were dealing with the enormous flood problems. While we were there, in addition to trying to rebuild communities literally from the ground up, one of things that we noticed was most needed is a restructuring of the water system and wastewater system.

Mr. Chairman, I rise to support the idea of improvement in rural areas because as the rural areas are improved, so goes the larger communities.

Mrs. CLAYTON. Mr. Chairman, who has the right to close?

The CHAIRMAN pro tempore. If all Members are down to their final remarks, the order is the gentleman from Pennsylvania (Mr. PETERSON), then the gentleman from Texas (Mr. STENHOLM), then the gentlewoman from North Carolina (Mrs. CLAYTON) and then the gentleman from Oklahoma (Mr. LUCAS) has the right to close.

Mr. PETERSON of Pennsylvania. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise again to repeat one more time that rural America needs our help. I do not really think Congress as a whole or the country as a whole realizes what has not happened in rural America.

As we have seen urban and suburban areas grow and prosper and fight growth, in rural America we have had an exodus. We have had elements in this Congress that have stopped timbering and put loggers out of work. We have had elements in this Congress that have stopped mining and put miners out of work. We have had elements in this Congress that have made it pretty difficult to farm in some areas

and put farmers out of work. We have had regulatory agencies that have been very difficult.

There has been an attack on how we make a living on rural America. I said it many times, in my district we mine. I am from where the first oil well was drilled. We have the finest hardwood forest in America, and we farm and we manufacture. There are organizations against all of those.

Rural Americans work for their money. They are the hardest working people in this country. They are the salt of the Earth in my book, and I am proud to represent them. I think we make a mistake when we put so many of our resources in helping a few. This 1 percent we are asking for helps the whole rural community. Most farmers depend on a second job for one of their family members or themselves. They depend on a second job for their children. They depend on support services in the community. When we do not support that community, we are making the biggest mistake because it will all fall apart in the end. This 1 percent is an investment this House ought to make.

Mr. Chairman, I yield back the balance of my time.

Mr. STENHOLM. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I again reluctantly rise in opposition. The speech of the gentleman from Pennsylvania (Mr. PETERSON), I happen to totally agree with everything that he said, with the one exception. We did not provide for the reserves.

We keep talking about the commodities and that element of the bill. I would like to remind our colleagues again, the guaranteed price level that we are talking about for the commodities for the farmers proposed in those commodities is 1990 levels. I will submit tonight, yes, we are not doing nearly what we should for drinking water, but we are doing considerably more than what we are doing under baseline.

Value added and strategic planning, I am excited about that one, but I still believe that we ought to start slow because we are limited under the budget implications for this bill, in spite of what some would like to say about it. So I again ask for a no vote on this amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The time of the gentleman from Texas (Mr. STENHOLM) has expired.

The gentlewoman from North Carolina (Mrs. CLAYTON) has 30 seconds remaining.

Mrs. CLAYTON. Mr. Chairman, I yield myself the remainder of my time.

If the Committee on Agriculture does not act for all rural America, if this Congress does not use this farm bill as an opportunity to expand our investment in rural America, I would like to

ask who will do it? If not us, who? If not now, when?

Indeed, the Committee on Agriculture has the congressional mandate for rural community development, and the farm bill is the obvious place where this should occur.

I ask my colleagues to support this amendment.

The CHAIRMAN pro tempore. The time of the gentlewoman from North Carolina has expired.

Mr. LUCAS of Oklahoma. Mr. Chairman, I yield myself what time I have remaining.

I, too, must reluctantly rise and join in opposition with the ranking member of the committee, the gentleman from Texas (Mr. STENHOLM) to the Clayton amendment that would pull valuable dollars away from the safety net in order to increase funding in rural development programs, but I believe we have made a great, great step in the right direction in funding in this base bill.

Consider for a moment that farm programs and rural development programs are interdependent on each other and if we take \$1 billion over the next 10 years away from the farm safety net, that that will ultimately hurt those producers who live and work in the rural areas. One of the programs that this amendment would direct money to is the community water assistance grant program. While that is a very meritorious goal, I would like to point out that H.R. 2646 provides \$30 million in mandatory funding per year for this program.

Under existing law this is a discretionary program. It has never been fully funded in recent times, and recognizing that, the Committee on Agriculture increased and expanded the program to help address those needs of rural communities that have difficulty in providing safe and adequate quantities of drinking water. Additionally, there are authorized, ongoing water and waste disposal loans and grants that the House has funded in the fiscal year 2002 ag appropriations bill with more than \$55 million in loans and almost \$600 million in grants. H.R. 2646 eliminates the authorized aggregate funding cap so that all necessary funds can be appropriated to meet this need.

The Clayton amendment also directs funds to the Strategic Planning Initiative, and H.R. 2646 creates this initiative to increase community capacity building efforts at the local and regional levels. H.R. 2646 already provides \$2 million per year that will allow entities to develop and to collaborate on these strategic plans to sustain rural economic growth in communities.

To further enhance rural development efforts, H.R. 2646 authorizes the National Rural Development Partnership, which will promote interagency coordination among Federal departments and agencies to administer the policies and programs affecting rural areas. This partnership will serve as a

resource for communities in working with rural development programs and will help streamline the available programs.

Remember, the underlying bill makes permanent the Resource Conservation and Development councils which will not only increase the conservation and natural resources but also support economic development and enhance the environment and the quality of rural living.

These provisions are clearly a statement in the underlying bill that we want to do everything that we can to encourage rural development, but unfortunately, we must work within the resources that are available to us. We must address the needs of the overall farm safety net, and I reluctantly oppose the amendment and ask for the passage of the underlying bill.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. All time has expired.

The question is on the amendment offered by the gentlewoman from North Carolina (Mrs. CLAYTON).

The question was taken; and the Chairman pro tempore announced that the yeas appeared to have it.

Mr. PETERSON of Pennsylvania. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to clause 6 of rule I, further proceedings on the amendment offered by the gentlewoman from North Carolina (Mrs. CLAYTON) will be postponed.

AMENDMENT NO. 11 OFFERED BY MRS. BONO

Mrs. BONO. Mr. Chairman, I offer Amendment No. 11.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 11 offered by Mrs. BONO:

At the end of title IX (page 354, after line 16), insert the following new section:

SEC. ____ COUNTRY OF ORIGIN LABELING OF PERISHABLE AGRICULTURAL COMMODITIES.

(a) ESTABLISHMENT OF LABELING REQUIREMENT.—The Perishable Agricultural Commodities Act, 1930, is amended by inserting after section 17 (7 U.S.C. 499q) the following new section:

“SEC. 18. COUNTRY OF ORIGIN LABELING OF PERISHABLE AGRICULTURAL COMMODITIES.

“(a) NOTICE OF COUNTRY OF ORIGIN REQUIRED.—Except as provided in subsection (b), a retailer of a perishable agricultural commodity shall inform consumers, at the final point of sale of the perishable agricultural commodity to consumers, of the country of origin of the perishable agricultural commodity. This requirement shall apply to imported and domestically produced perishable agricultural commodities.

“(b) EXEMPTION FOR FOOD SERVICE ESTABLISHMENTS.—

“(1) EXEMPTION.—Subsection (a) shall not apply to a perishable agricultural commodity to the extent that the perishable agricultural commodity is—

“(A) prepared or served in a food service establishment; and

“(B) offered for sale or sold at the food service establishment in normal retail quantities or served to consumers at the food service establishment.

“(2) DEFINITION.—In this subsection, the term ‘food service establishment’ means a restaurant, cafeteria, lunch room, food stand, saloon, tavern, bar, lounge, or other similar facility, which is operated as an enterprise engaged in the business of selling foods to the public.

“(c) METHOD OF NOTIFICATION.—

“(1) IN GENERAL.—The information required by subsection (a) may be provided to consumers by means of a label, stamp, mark, placard, or other clear and visible sign on the perishable agricultural commodity or on the package, display, holding unit, or bin containing the commodity at the final point of sale to consumers.

“(2) LABELED COMMODITIES.—If a perishable agricultural commodity is already individually labeled regarding country of origin by a packer, importer, or another person, the retailer shall not be required to provide any additional information to comply with this section.

“(d) VIOLATIONS.—If a retailer fails to indicate the country of origin of a perishable agricultural commodity as required by subsection (a), the Secretary of Agriculture may assess a civil penalty on the retailer in an amount not to exceed—

“(1) \$1,000 for the first day on which the violation occurs; and

“(2) \$250 for each day on which the same violation continues.

“(e) DEPOSIT OF FUNDS.—Amounts collected under subsection (d) shall be deposited in the Treasury of the United States as miscellaneous receipts.”

(b) APPLICATION OF AMENDMENT.—Section 18 of the Perishable Agricultural Commodities Act, 1930, as added by subsection (a), shall apply with respect to a perishable agricultural commodity offered for retail sale after the end of the six-month period beginning on the date of the enactment of this Act.

The CHAIRMAN pro tempore. Pursuant to the order of the House of earlier today, the gentlewoman from California (Mrs. BONO) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentlewoman from California (Mrs. BONO).

Mrs. BONO. Mr. Chairman, I yield myself such time as I may consume.

The reality today is that food is a global product. Whether it is Mexican cantaloupe or Coachella Valley table grapes, the need for country of origin labeling is a consumer information and safety issue that affects millions of Americans.

With this in mind, I, along with the gentlewoman from Oregon (Ms. HOOLEY) am offering legislation, H.R. 1605, The Produce Consumers Right to Know Act, as an amendment to the pending legislation before this House.

For the past 69 years, goods imported into the United States have been required to be labeled with their products country of origin so that the consumer will ultimately know where the product was produced. Your shirt, your coffee mug, your chair and your pen probably all have country of origin labels, yet there is no law that mandates that fresh fruit and produce be labeled with its country of origin.

When the last comprehensive labeling Act was passed by Congress nearly 70 years ago, there were there very few fruit and vegetable imports into the United States so the requirement was

unnecessary. However, in the 21st century, with free trade agreements, produce is now widely imported to every city and every State of this country.

It is important to note that U.S. law already encourages the labeling of fresh fruits and vegetables. Currently most of the boxes that contain produce are shipped over to the United States labeled with their country of origin. However, those boxes are usually left in the back room along with their labels.

As a result, the consumer sees the produce but not the shipping box or label. Therefore, while valuable country of origin labeling is usually attached to the produce when it enters the store, this label never ends up making it to the mom or dad who are shopping for the family so that they can make an informed decision.

While the United States does not have a country of origin law for fruits and vegetables, the State of Florida passed the Produce Labeling Act of 1979. At the retail level, Florida's country of origin labeling program is successful and inexpensive. Florida's Produce Labeling Act requires simply two staff hours per store per week.

In an era of free trade with our many trading partners around the world, it is imperative that fair trade is an element in any of our trading agreements. The GAO says that 13 of our Nation's 28 biggest trading partners require country of origin labeling for fresh produce. Mexico is a source for more than half of our Nation's produce imports, and ironically, it requires origin labeling on imported produce sold there. Other countries such as the U.K., France, Japan and Canada have labeling laws as well.

□ 2100

The truth is that everyone wants to know where their food comes from. In the 21st century, with our local supermarkets carrying everything from Brazilian bananas to Chilean table grapes, virtually everything bears its place of origin except for produce. I believe consumers want this to change.

Mr. Chairman, I reserve the balance of my time.

Mr. POMBO. Mr. Chairman, I claim the time in opposition.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The gentleman from California (Mr. POMBO) is recognized for 10 minutes.

Mr. POMBO. Mr. Chairman, I ask unanimous consent to have the time be equally divided between myself and the gentleman from Texas (Mr. STENHOLM).

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. POMBO. Mr. Chairman, I yield myself such time as I may consume, and I reluctantly rise in opposition because I do support the idea of doing country-of-origin labeling. Unfortunately, I do not believe that at this

time this topic should move forward on the farm bill.

This is an issue that we have had numerous hearings on in my subcommittee and in the Committee on Agriculture in the last several years because it is something that people care so deeply about. But, unfortunately, we have been unable to reach consensus in the industry as to the proper way to proceed with doing this.

There are big differences within the industry, whether we are talking about producers or processors, or the retailers themselves; but there are also big differences between the producers themselves. Some are very much in favor of moving forward, some are opposed to doing that, and there are a number of different ideas as to how and what the best way to proceed with doing country-of-origin labeling is.

Some of the issues that we have had to deal with in the past couple of years have made it very difficult to reach that consensus. I can tell my colleagues that we have had testimony in the committee that about 70 percent of the cost of proceeding with a program such as this will go back to the producers themselves in the form of lower prices. They end up absorbing the cost of this program. In the limited programs such as this that have been used in the statewide example and others, they have seen very little, if any, net return back to the producers themselves.

I can also say that GAO estimates that FDA's compliance cost for fruit and vegetables would be about \$56 million per year. So this is not a no-cost program. It is an expensive program.

At this time I oppose the gentleman's amendment.

Mr. Chairman, I reserve the balance of my time.

Mrs. BONO. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon (Ms. HOOLEY).

Ms. HOOLEY of Oregon. Mr. Chairman, I echo the sentiments of my colleague from California and thank her for her leadership on this issue.

I will tell my colleagues that when I walk into a grocery store to buy produce for my family, I want to know where it is grown and that it is safe. This should be my right as a consumer. After all, we have laws on the books that say we have to have country-of-origin labeling whether it is our shoes, socks or auto parts. But for reasons beyond my comprehension, we do not know where the produce is grown. Food that is put in our body, we do not know where it is grown.

There is not a single person in this Chamber who would disagree that in the United States we have some of the world's most stringent regulations for farming. Our growers have to comply with strict, exhaustive local, State and Federal regulations governing the use of land, water, labor and pesticides, rules that many of our trading partners do not have to comply with. As a result, our food is some of the safest in the world.

I believe that Americans have the right to know that what they are eating is safe and where it is grown. Opponents of this amendment contend that the cost for industry, including retailers, to comply with country-of-origin labeling requirements are too great and the price of produce will rise as a result. This is simply untrue.

We already have a great test case currently in place. Florida, which is the fourth most populous State in the country, has had the country-of-origin labeling requirement for over 20 years. The estimated cost of the mandatory-produce labeling law is less than a penny on a consumer's weekly grocery bill. Less than a penny. I want my colleagues to know that people will gladly pay that penny a week to know where their food is grown.

Compliance can be achieved by simply placing signs near the produce bins or with price information. If it says apples, a dollar a pound, all that has to be done is to add, grown in Mexico, or wherever it is grown. Thirteen of our biggest trading partners, including Canada, Mexico, Japan, France, and the United Kingdom require country-of-origin labeling on produce imported into their countries. With 50 percent of our produce imports in this country coming from Mexico, I find it ironic that they have a labeling requirement and we do not.

This amendment should be an easy "yes" vote. This is good for the consumers, good for our economy, good for our farmers, and this is something that the citizens of this great country want. It is time for Congress to close this loophole from 70 years ago and pass this amendment. I urge all my colleagues on both sides of the aisle to join us in passing the Bono-Hooley amendment.

Mr. STENHOLM. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. DOOLEY).

Mr. DOOLEY of California. Mr. Chairman, I rise in opposition. I understand the objectives of the authors of this amendment, but I think it is important that this country maintains the principle of ensuring that the labels we are putting on products are providing real information to people, information that has a scientific basis in terms of providing nutritional or safety information which is important to consumers.

If we adopt this precedent of country-of-origin labeling, we are saying that we are going to then adopt a principle that we can label a product which has no scientific basis, no scientific justification. There is no indication that these products are less safe or less nutritious. I think it is important for us to maintain that consistency.

If we go down this path, we are really starting a precedent that we can then succumb to calls for labeling products that consumers might want the right to know what type of pesticides might be used on them, what type of fertilizers, even though we now have laws

in place and regulations which ensure that unless the health and safety of a product is going to be impacted we do not require that labeling.

The other thing that I think is interesting, there is not a consumer anywhere, any of us in this Chamber today, that can go into a supermarket today and hardly pick up an apple, a plum, an orange that does not have a sticker on that individual piece of fruit. If there was value in that product being labeled from a particular country of origin or from the United States, there is nothing today to preclude a producer, a processor, a packager of putting that little sticker on that plum, peach, nectarine, or apple.

Why do we believe that it is so important to establish another mandate by the Government on producers, on farmers, on retailers when there is the opportunity to do it voluntarily today?

In light of the fact that we are not providing consumers with any information that actually goes to the health, the nutrition, the safety of a product, this proposal lacks merit. We need to ensure that we are making these decisions based on the long-held principle that the FDA and other agencies within the Government that it has to be based on science.

Mrs. BONO. Mr. Chairman, I yield 2½ minutes to the gentlewoman from Florida (Ms. ROS-LEHTINEN).

Ms. ROS-LEHTINEN. Mr. Chairman, I thank the gentlewoman from California (Mrs. BONO) for yielding me this time, and I rise in strong support of the amendment offered by her, which is essentially her bill, the Produce Consumer's Right-to-Know Act.

This amendment will bring consumers information on produce that our government has required on all imported manufactured goods since the 1930s. My home State of Florida, as has been pointed out several times in tonight's debate, has required country-of-origin labeling on produce for over 20 years, and Floridians overwhelmingly support this type of labeling. It works, it is effective, and it is cost effective. The same should be required in all States.

Perishable foods should have a clear visible sign to indicate their country of origin. Thirty-four other countries require a country-of-origin labeling, including our own neighbors, Canada and Mexico. All Americans should have the right to know where their food is produced so that they can make informed decisions about what they are feeding their families.

American growers already comply with strict regulations at local, State, and Federal levels. These regulations govern the use of land, water, labor, and agricultural chemicals. These rules ensure workers' safety, sanitation and environmental protection. Due to these regulations, Americans can be assured of the quality of our own domestic perishable foods. And with country-of-origin labeling, we can all make informed decisions about foods from other countries as well.

I congratulate my good friend, the gentlewoman from California (Mrs. BONO), for fighting for this important cause for many years. But even in my south Florida community, where country-of-origin labeling is required, our growers, especially our tomato growers, are virtually wiped out. Why? Because of trade agreements like NAFTA, Mexican producers have flooded our local markets.

People need to know where their produce is coming from. It is the fair thing to do. Let our consumers know what they are buying.

The CHAIRMAN pro tempore. The Chair would remind Members that the gentleman from California (Mr. POMBO) has 3 minutes remaining, the gentleman from Texas (Mr. STENHOLM) has 3 minutes remaining, and the gentlewoman from California (Mrs. BONO) has 1½ minutes remaining.

Mr. POMBO. Mr. Chairman, I yield 2 minutes to the gentleman from Idaho (Mr. SIMPSON).

Mr. SIMPSON. Mr. Chairman, I appreciate what the sponsors of this legislation are attempting to do. It is something that the Committee on Agriculture has looked at and has debated and looked at the pros and cons and how we might be able to implement something like this.

The gentlewoman from Oregon mentioned that in Florida they had a program that required labeling, and it only added one cent a week, I think it was, to the grocery bill. The reality is that even though they have that law in Florida, it is not enforced; and there is no requirement that it be enforced.

Idaho actually has a meat labeling law. The Idaho legislature passed it years and years ago. It is not enforced. Cannot be enforced. That is the problem. That is why we have some numbers that say it is only one cent a week, but we do not know what the true cost of mandatory labeling would be.

One of the other problems in this that we have tried to deal with in the committee is, it is the retailer that is responsible. He is the one that will be fined. How is he going to know for sure where those fruits and vegetables are coming from? Somebody says they came from his farm in California, and the retailer finds out that they came from someplace else, from Mexico or someplace else, and he has them mislabeled in his store. He is the one that will be fined \$1,000, \$250 every day after that.

I will tell my colleagues that voluntary labeling works. I look at Idaho Potatoes. That is a brand name. And the Idaho Potato Commission has the right to go after those individuals who misuse and mislabel potatoes that are not grown in Idaho; and they do that and substantially they win in court, and those people are required to pay fines to the Idaho Potato Commission. Voluntary labeling does work.

What will make this program successful, to label whether it is meats or

fruits and vegetables or other things, is when the consumer goes in the grocery store and says to the grocer, where did these apples come from? Where did this beef come from? Where did this turkey come from, or whatever? When the consumer asks that question, the grocer will find it advantageous to start labeling, and we will get voluntary labeling of all these products.

Mr. STENHOLM. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota (Mr. PETERSON).

Mr. PETERSON of Minnesota. I thank the gentleman from Texas for yielding me this time; and I rise, too, in opposition to this amendment.

I have mixed emotions that there is probably some reasons why we ought to be trying to get this accomplished; but I, along with the chairman, and as ranking member of the Subcommittee on Livestock and Horticulture, have sat through more meetings and testimony than I want to think about trying to work through this issue. It is a complicated issue. As the gentleman from Idaho just said, there is no prohibition against voluntary labeling, and there is some indication that that works pretty well in certain areas.

We are trying to do a lot of things on the floor of the House here that sound good and probably are good ideas, but it is not like we have not tried to work these things through in committee. I know that the chairman agrees with me that we will continue to work on this and look at the issue, but this is not the place to be legislating complicated issues like this on the floor of the House.

Mrs. BONO. Mr. Chairman, I yield 1½ minutes to the gentleman from Oregon (Mr. WU).

Mr. WU. Mr. Chairman, I thank the gentlewoman from California for yielding me this time.

I just want to point out that it is not rocket science to put "made in the USA" on fruits and vegetables. It is no harder to do that than it was to put this tie's country of origin. In fact, it says where the fabric was made as well as where the tie is made. This pin, "Made in the USA." This tie, "Made in the USA." It does not take rocket science to figure out where a product was made and that it adds value.

□ 2115

Growers in Oregon, like growers across the United States, comply with strict laws governing agricultural chemicals. Compliance with these laws ensures food safety. American production standards add value. Labeling produce as to origin is a low-cost and effective way to help American consumers make an informed choice at the market, and it benefits American growers at the same time. It is good for consumers, and it is good for growers.

Mr. Chairman, ultimately what this debate is all about is about choice. Americans deserve the information so they can make an informed choice about what they eat. It is truly ironic

that I know where my tie is made. I know where this pin is made, but if I run to the grocery store after I leave here and try to buy some broccoli or some other fruits or vegetables, I do not know where that product was grown. I think it is about time that American consumers and American producers can get a label on their product that proudly says Made in the U.S.A.

Mr. STENHOLM. Mr. Chairman, I yield 30 seconds to the gentleman from California (Mr. FARR) to speak in opposition to my position.

Mr. FARR of California. Mr. Chairman, I appreciate the gentleman yielding me this time.

Mr. Chairman, I carried that issue in the California legislature. The issue is not just perishable fruit. I would admonish the Committee on Agriculture, we have to solve this. Every time we vote for buy American for the gentleman from Ohio (Mr. TRAFICANT) and the gentleman from Michigan (Mr. DINGELL) got a bill passed where every part of an automobile has to be labeled, we do not even know where packaged goods come from.

Mr. Chairman, we need to address this issue not only for perishable, but packaged goods. Americans have a right to know where their food is coming from. We need to get origin labeling adopted.

Mr. STENHOLM. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I rise in opposition to this amendment. Members always need to remember to be careful what we ask for lest we might get it. In 1973, we had a problem with imported Mexican wheat coming into the United States, and we came up with an idea that Mexican wheat had karnal bunt; and, therefore, we put a zero tolerance on karnal bunt. It was a terrible mistake because there is nothing wrong with wheat that contains an small amount of karnal bunt, but we now have a major trade problem.

Country of origin labeling voluntarily imposed is excellent business. Most countries are already doing it. But when a label is put on and there is a suggestion that there is something about that label that suggests a safer food supply, be careful when we ask for that, particularly since in America we are now exporting \$53 billion worth of agricultural products. We are importing \$39 billion.

Just a few months ago, a delegation from Mexico was here; and they were quickly moving toward mandatory country of origin labeling regarding biotechnology. The argument I make tonight, they took it; and, fortunately, we are not having to fight that battle of not being able to sell our commodities, which we are selling more to Mexico than we are buying from them in total today.

I oppose this amendment. The cost as we have heard, it sounds good. It looks good, but in practicality it does not accomplish anything other than muddy

the water considerably in our ability to continue to sell more into the world market. The consumers are no safer.

Mr. POMBO. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, as I said in my opening, I opposed this amendment with mixed emotions because I basically support the idea; but it is much more complicated than we can solve in an amendment to the farm bill this evening.

I would like to answer a couple of objections or questions that have been raised. This is not a food safety issue. If Members are afraid of imports in terms of food safety, then that is a completely different part of Federal law that Members have to look at. When Members are voting on trade bills, we can talk about food safety coming in. That has nothing to do with country of origin. It is handled by a completely different part of Federal law.

The other issue is what the cost is. This has been brought up, what the cost is. The retailer is limited as to what they can charge. Somebody brought up that they had stuff coming in from Mexico or other foreign countries into their districts. That sets the price. That sets the market. If we put another cost on top of that, our producers are going to pay that cost, not the retailer.

Mr. Chairman, we have to weigh this thing in its entirety, we cannot just come up with an amendment like this.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The question is on the amendment offered by the gentlewoman from California (Mrs. BONO).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mrs. BONO. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentlewoman from California (Mrs. BONO) will be postponed.

AMENDMENT NO. 21 OFFERED BY MR. ETHERIDGE
Mr. ETHERIDGE. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 21 offered by Mr. ETHERIDGE:

At the end of section 164 (page 113, after line 5), add the following new subsection:

- (g) INCREASE IN TARGET PRICE.—
(1) INCREASE.—Notwithstanding subsection (c), the target price for peanuts shall be equal to \$500 per ton rather than \$480 per ton.
(2) CORRESPONDING REDUCTION.—To offset the increase in the target price for peanuts under paragraph (1), the maximum number of acres that may be enrolled in the conservation reserve program is hereby reduced to 38,000,000 acres.

Mr. ETHERIDGE. Mr. Chairman, let me thank the gentleman from Texas (Chairman COMBEST) and the gentleman from Texas (Mr. STENHOLM),

the ranking member, and the gentleman from Alabama (Mr. EVERETT) who is chairman of the Subcommittee on Specialty Crops and Foreign Agriculture Programs, and others who have worked so hard to bring this bill to the floor with a peanut program that gets us into the 21st century. I commend the gentlemen for their efforts on that.

They have constructed a program which will help peanut farmers, particularly peanut farmers who own peanut quotas, make their transition from AMPTA payments, marketing loans, and a countercyclical program. Unfortunately, this transition looks to be difficult on those peanut farmers who rent their quotas and their land.

Currently, peanut farmers enjoy support levels of about \$610 per ton. Under H.R. 2646, if a peanut farmer has quota, he will still receive close to that support level when he combines the marketing loans, peanut AMPTA payments, countercyclical payments and buyout provisions that this bill authorizes. However, those peanut farmers who rent quota and land do not receive a quota buyout payment so they are totally dependent on the other payments, particularly the new \$480 per ton countercyclical peanut program in the bill, a \$130 per ton difference from the current level.

In North Carolina, we have many peanut growers; and they are going to have a very difficult time staying in business with the provisions in this bill. That is why I am offering this amendment. It would raise the countercyclical payment for peanuts from \$480 to \$500 per ton. It would offset this increase by increasing the CRP acreage from 39.2 million to 38 million acres.

According to the Congressional Budget Office, my amendment also saves \$116 million over 10 years. This money could be put back into the CRP or used for other purposes which the House may decide.

Mr. Chairman, it is my intention to ultimately withdraw this amendment after a couple of my colleagues speak on this issue, but I offer it in order to raise the issue of how peanut growers who must rent quota and land fare under the underlying bill.

I know the chairman and the ranking member included in the manager's amendment a provision to allow peanut growers who rent the opportunity to assign base acreage on their own land or to others. This will give those growers a stronger position in negotiating rent process with landlords. It is a very helpful provision, and I thank both the ranking member and the chairman for this.

What I would like for them to do is when they get in conference with the Senate, I hope Members will consider the possibility of phasing in the countercyclical program so these farmers do not have to face the shock of going from the support level of \$610 a ton to \$480 a ton in 1 year. Phase-in is a smart approach that will allow these peanut farmers a smooth transition. Frankly,

it has been a total new approach for them.

As a representative from a tobacco-producing State, I have followed the committee's development on this peanut program very carefully. Many tobacco quota holders in my State are hoping for a buyout, and I see this peanut program as a test case to see if we can proceed in a similar direction.

Mr. Chairman, I thank both the chairman and the ranking member for looking at this important issue for our farmers.

Mr. SCOTT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from North Carolina (Mr. ETHERIDGE) to increase the target price for peanuts. While I appreciate the committee's work on the bill and particularly on this issue, I remain deeply concerned that the changes made to the peanut program will not provide enough funding to keep farmers in business.

The farmers in my district have told me that unless changes are made to the peanut section of the bill, they do not expect there to be any peanut farmers in certain parts of Virginia. According to the Virginia Tech extension office, it costs the Virginia producers \$539 per ton to raise peanuts, excluding the land costs and return to management. These producers are the farmers, whether they own the land or rent it.

Assuming that the producer would receive all of the base of \$460.50 per ton that is provided in the bill, it is quite apparent that the provisions of the bill are inadequate to cover the cost of production of peanuts. In addition, most of the quota in my area of Virginia is rented. As it currently stands, the bill does not take into account the producers' rent payments.

Mr. Chairman, we should keep in mind that the farmers' costs have steadily increased as a result of higher fuel costs and higher fuel-based products such as fertilizer. Already we are losing producers under the peanut program, and it is my fear that we will drive them completely out of business without some significant changes in the peanut provision of the bill. The farmers in my district simply cannot afford this, and we certainly cannot afford to lose any more farmers.

Mr. Chairman, I urge the adoption of the amendment.

Mr. ETHERIDGE. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

AMENDMENT NO. 33 OFFERED BY MS. EDDIE BERNICE JOHNSON OF TEXAS

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 33 offered by Ms. EDDIE BERNICE JOHNSON of Texas:

In section 441, add at the end (page 217, line 7) the following: "Of the amount made available to carry out section 211(c) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)) for each of the fiscal years 2002 through 2011, the Secretary of Agriculture shall make available \$25,000,000 for the provision of commodities to child nutrition programs providing food service under section 1114(a) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e).

(Ms. EDDIE BERNICE JOHNSON of Texas asked and was given permission to revise and extend her remarks.)

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, my amendment is to increase the funding for the child nutrition programs by \$25 million. These programs are actually in need of \$55 million. This often is the only meal that poor children have. Seventy-five percent of these meals go to the poorest of children.

Mr. Chairman, this funding will offset part of the proposed \$90 million increase that doubles funding for the market access program, known as the MAP program, and it helps producers and exporters finance promotional opportunities abroad, putting farmlands first and our preschool and school-aged children last.

Mr. Chairman, I simply want to ask that this amendment be considered.

Mr. Chairman, I rise today to offer an amendment to provide \$25 million for child nutrition programs. These programs provide funding for our nation's schools to purchase commodities for their National School Lunch and School Breakfast Programs.

The National School Lunch Program serves more than 27 million children every day, slightly over half to children who live at or near the poverty level in this country. More than 85 percent of the 7 million breakfasts served in schools each day go to poor children. For these children, our federal school meal programs are their most secure link to good nutrition. These commodity food programs also allow school districts to offset the costs of lunches for children who do not participate in the program. In essence, these programs benefit the child receiving the free or reduced cost meal as well as the child who pays full price.

Research has confirmed a link between nutrition and children's cognitive development, cognitive performance, and ability to concentrate. Preschool and school age children need to receive proper and adequate nutrition. Studies also show that these nutritional programs have contributed positively to scores on test of basic skills, reduced tardiness and absenteeism.

Also clear is the link between our federal nutrition programs and our agricultural communities. The United States began providing agricultural commodities to our schools more than a decade before we started grants in aid to schools to provide meals, and three decades before we recognized the special needs of our poorest children through the free and reduced price meal subsidies. In 1994, Congress amended the National School Lunch Act to require that at least 12 percent of all federal support for school meals must be in the form of commodities. However, in 1998 the Congress again amended the National School

Lunch Act to count bonus commodities, food products purchased under separate authorizations and for a very different purpose, to meet the 12 percent statutory requirement. While some thought this was merely an accounting change, the effect was a real cut in support for our school lunch program. The commodities, which will not be purchased under the entitlement authorization, are the ones best suited to meet the menu and nutritional requirements of our school meal programs. The impact of the change was not felt last year or this because Congress yet again passed another statute that corrected the error, but only for FY 2000 and 2001. But our schools will lose more than \$55 million dollars in entitlement commodities in 2002 unless we act to correct the problem. Over the next eight years, this cut will exceed \$440 million. That is a very real and significant cut to our school programs. Make no mistake, this is a school lunch budget cut—this is more than \$55 million per year that schools will not receive. It is also a \$440 million cut in the amount of agricultural commodities purchased by USDA.

I have spoken with several of my colleagues and they share my interest in this matter. After all, this money is used by USDA to purchase agricultural commodities, and these purchases have a significant impact on producer incomes. The magnitude of this cut is even more dramatic when you consider the amount of food that it represents. This cut means that USDA will reduce its overall purchases by 660 million pounds.

One of the best ways we can move forward as a society is to meet our obligations to our children. The Federal Government must follow through on its commitment to work in partnership with states, schools, and the agricultural community to administer a major program designed to improve children's diets and, in turn their overall health and well being. We can be proud that these school meal programs promote the well being of some of our Nation's most vulnerable children by providing them with the nourishment they need to develop healthy bodies and sound minds. Nutritious meals help students reach their full potential by keeping them alert and attentive in the classroom. As both common sense and extensive scientific research confirm, a hungry child cannot focus on schoolwork as well as one who has been fed a nutritious meal.

Mr. Chairman, recognizing the many needs being addressed in this bill, I will withdraw the amendment, but would like to draw attention to how we, the representatives of our preschool and school age children across America, have neglected them. And in the spirit of National School Lunch Week, which begins the second week of October every year, I would also like to express my interest in working together with members of both the Committee on Agriculture and the Committee on Education and the Workforce to explore this issue and seek ways to support our nation's pre-school and school age children by providing additional agricultural commodities. Finally, Mr. Chairman, I look forward to working with all of my colleagues who share my concern to amend this problem and provide for our pre-school and school age children at home first.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, because of my discussion with the chairman and the ranking member, I ask unanimous consent to withdraw this amendment and

hope that it will be considered at a later time.

The CHAIRMAN pro tempore. Is there objection to the request of the gentlewoman from Texas?

There was no objection.

AMENDMENT NO. 47 OFFERED BY MR. SANDERS

Mr. SANDERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 47 offered by Mr. SANDERS: At the end of chapter 1 of subtitle C of title I (page 75, after line 17), insert the following new section:

SEC. ____ NATIONAL COUNTER-CYCLICAL INCOME SUPPORT PROGRAM FOR DAIRY PRODUCERS.

(a) DEFINITIONS.—In this section:

(1) BOARD.—The term “Board” means a Regional Supply Management Board established under subsection (b)(4).

(2) CLASS I, II, III, AND IV MILK.—The terms ‘Class I milk’, ‘Class II milk’, ‘Class III milk’, and ‘Class IV milk’ mean milk classified as Class I, II, III, or IV milk, respectively, under an order.

(3) DISTRICT.—The term “District” means a Regional Supply Management District established under subsection (b)(3).

(4) ELIGIBLE PRODUCER.—The term “eligible producer” means an individual or entity that directly or indirectly has an interest in the production of milk.

(5) ELIGIBLE PRODUCTION.—The term “eligible production” means the lesser of—

(A) the quantity of milk produced by an eligible producer during a month; or

(B) 230,000 pounds per month.

(6) MARKETING AREA.—The term “marketing area” means a marketing area subject to an order.

(7) ORDER.—The term “order” means—

(A) an order issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937; or

(B) a comparable State order, as determined by the Secretary.

(8) PARTICIPATING STATE.—The term “participating State” means a State that is participating in the program authorized by this section in accordance with subsection (b)(2).

(9) STATE.—The term “State” means each of the 48 contiguous States of the United States.

(10) TRUST FUND.—The term “Trust Fund” means the National Dairy Producers Trust Fund established under subsection (b)(5).

(b) INCOME SUPPORT FOR ELIGIBLE PRODUCERS FOR MILK SOLD TO PROCESSORS IN PARTICIPATING STATES.—

(1) IN GENERAL.—During each of calendar years 2002 through 2011, the Secretary shall carry out a program under this subsection to support the income of eligible producers for milk sold to processors in participating States.

(2) PARTICIPATING STATES.—

(A) SPECIFIED STATES.—The following States are participating States for purposes of the program authorized by this section: Alabama, Arkansas, Connecticut, Delaware, Georgia, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, and West Virginia.

(B) OTHER STATES.—The Governor of a State not described in subparagraph (A) may provide for the participation of the State in the program authorized by this section by

providing notice to the Secretary in a manner determined by the Secretary.

(C) WITHDRAWAL.—

(i) IN GENERAL.—For a State to withdraw from participation in the program authorized by this section, the Governor of the State (with the concurrence of the legislature of the State) shall notify the Secretary of the withdrawal of the State from participation in the program in a manner determined by the Secretary.

(ii) EFFECTIVE DATE.—The withdrawal of a State from participation in the program takes effect—

(I) in the case of written notice provided during the 180-day period beginning on the date of enactment of this Act, on the date on which the notice is provided to the Secretary; and

(II) in the case of written notice provided after the 180-day period, on the date that is 1 year after the date on which the notice is provided to the Secretary.

(3) REGIONAL SUPPLY MANAGEMENT DISTRICTS.—To carry out this subsection, the Secretary shall establish 5 Regional Supply Management Districts that are composed of the following participating States:

(A) NORTHEAST DISTRICT.—A Northeast District consisting of the States of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, and Vermont.

(B) SOUTHERN DISTRICT.—A Southern District consisting of the States of Alabama, Arkansas, Florida, Georgia, Kansas, Kentucky, Louisiana, Mississippi, Missouri, Nebraska, New Mexico, North Carolina, Oklahoma, South Carolina, Texas, Tennessee, Virginia, and West Virginia.

(C) UPPER MIDWEST DISTRICT.—An Upper Midwest District consisting of the States of Illinois, Indiana, Iowa, Michigan, Minnesota, North Dakota, South Dakota, and Wisconsin.

(D) INTERMOUNTAIN DISTRICT.—An Intermountain District consisting of the States of Arizona, Colorado, Idaho, Montana, Nevada, Utah, and Wyoming.

(E) PACIFIC DISTRICT.—A Pacific District consisting of the States of California, Oregon, and Washington.

(4) REGIONAL SUPPLY MANAGEMENT BOARDS.—

(A) IN GENERAL.—Each District shall be administered by a Regional Supply Management Board.

(B) COMPOSITION.—

(i) IN GENERAL.—The Board of a District shall be composed of not less than 2, and not more than 3, members from each participating State in the District, appointed by the Secretary from nominations submitted by the Governor of the State.

(ii) NOMINATIONS.—The Governor of a participating State shall nominate at least 5 residents of the State to serve on the Board, of which—

(I) at least 1 nominee shall be an eligible producer at the time of nomination; and

(II) at least 1 nominee shall be a consumer representative.

(5) NATIONAL DAIRY PRODUCERS TRUST FUND.—

(A) ESTABLISHMENT AND FUNDING.—There is established in the Treasury of the United States a trust fund to be known as the National Dairy Producers Trust Fund, which shall consist of—

(i) the payments received by the Secretary and deposited in the Trust Fund under paragraph (6); and

(ii) the payments made by the Secretary to the Trust Fund under paragraph (7).

(B) EXPENDITURES.—Amounts in the Trust Fund shall be available to the Secretary, to the extent provided for in advance in an ap-

propriations Act, to carry out paragraphs (8) through (10).

(6) PAYMENTS FROM PROCESSORS TO TRUST FUND.—

(A) IN GENERAL.—During any month for which the Secretary estimates that the average price paid by processors for Class I milk in a District will not exceed \$17.50 per hundredweight, each processor in a participating State in the District that purchases Class I milk from an eligible producer during the month shall pay to the Secretary for deposit in the Trust Fund an amount obtained by multiplying—

(i) the payment rate determined under subparagraph (B); by

(ii) the quantity of Class I milk purchased from the eligible producer during the month.

(B) PAYMENT RATE.—The payment rate for a payment made by a processor that purchases Class I milk in a participating State in a District under subparagraph (A)(i) shall equal the difference between—

(i) \$17.50 per hundredweight; and

(ii) (I) in the case of an area covered by an order, the minimum price required to be paid to eligible producers for Class I milk in the marketing area under an order; or

(II) in the case of an area not covered by an order, the minimum price determined by the Secretary, taking into account the minimum price referred to in subclause (I) in adjacent marketing areas.

(7) COUNTER-CYCLICAL PAYMENTS FROM SECRETARY TO TRUST FUND.—

(A) IN GENERAL.—To the extent provided for in advance in an appropriations Act, the Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to make a payment each month to the Trust Fund in an amount determined by multiplying—

(i) the payment rate determined under subparagraph (B); by

(ii) the quantity of eligible production of Class II, Class III, and Class IV milk sold in the various Districts during the month, as determined by the Secretary.

(B) PAYMENT RATE.—The payment rate for a payment made to the Trust Fund for a month under subparagraph (A)(i) shall equal 25 percent of the difference between—

(i) \$13.00 per hundredweight; and

(ii) the weighted average of the price received by producers in each District for Class III milk during the month, as determined by the Secretary.

(8) COMPENSATION FROM TRUST FUND FOR ADMINISTRATIVE AND INCREASED FOOD ASSISTANCE COSTS.—The Secretary shall use amounts in the Trust Fund to provide compensation to the Secretary for—

(A) administrative costs incurred by the Secretary and Boards in carrying out this subsection; and

(B) the increased cost of any milk and milk products provided under any food assistance program administered by the Secretary that results from carrying out this subsection.

(9) PAYMENTS FROM TRUST FUND TO BOARDS.—

(A) IN GENERAL.—The Secretary shall use any amounts in the Trust Fund that remain after providing the compensation required under paragraph (8) to make monthly payments to Boards.

(B) AMOUNT.—The amount of a payment made to a Board of a District for a month under subparagraph (A) shall bear the same ratio to payments made to all Boards for the month as the eligible production sold in the District during the month bears to eligible production sold in all Districts.

(10) PAYMENTS BY BOARDS TO PRODUCERS.—

(A) IN GENERAL.—With the approval of the Secretary, a Board of a District shall use payments received under paragraph (9) to

make payments to eligible producers for eligible production of milk that is commercially sold in a participating State in the District.

(B) SUPPLY MANAGEMENT.—In carrying out subparagraph (A), a Board of a District may—

(i) use a portion of the payments described in subparagraph (A) to provide bonuses or other incentives to eligible producers for eligible production to manage the supply of milk produced in the District; and

(ii) request the Secretary to review a proposed action under clause (i).

(C) REIMBURSEMENT OF COMMODITY CREDIT CORPORATION.—

(i) IN GENERAL.—If the Secretary determines that the Commodity Credit Corporation has incurred additional costs to carry out section 141 as a result of overproduction of milk due to the operation of this section in a District, the Secretary shall require the Board of the District to reimburse the Commodity Credit Corporation for the additional costs.

(ii) BOARD ASSESSMENT.—The Board of the District may impose an assessment on the sale of milk within participating States in the District to compensate the Commodity Credit Corporation for the additional costs.

(C) COUNTER-CYCLICAL PAYMENTS FOR ELIGIBLE PRODUCERS FOR MILK SOLD TO PROCESSORS IN NONPARTICIPATING STATES.—

(1) IN GENERAL.—To the extent provided for in advance in an appropriations Act, during each of calendar years 2002 through 2011, the Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to make payments to an eligible producer in a District for milk sold to processors in a State that is not a participating State in an amount determined by multiplying—

(A) the payment rate determined under paragraph (2); by

(B) the payment quantity determined under paragraph (3).

(2) PAYMENT RATE.—The payment rate for a payment made to an eligible producer in a District for a month under paragraph (1)(A) shall equal 25 percent of the difference between—

(A) \$13.00 per hundredweight; and

(B) the average price received by producers in the District for Class III milk during the month, as determined by the Secretary.

(3) PAYMENT QUANTITY.—The payment quantity for a payment made to an eligible producer in a District for a month under paragraph (1)(B) shall be equal to—

(A) the quantity of eligible production of Class II, Class III, and Class IV milk for the eligible producer during the month, as determined by the Secretary; less

(B) the quantity of any milk that is sold by the eligible producer to a processor in a participating State during the month.

(d) LIMITATION.—In determining the amount of payments made for eligible production under this section, no individual or entity directly or indirectly may be paid on production in excess of 230,000 pounds of milk per month.

The CHAIRMAN pro tempore. Pursuant to the order of the House today, the gentleman from Vermont (Mr. SANDERS) and a Member opposed each will control 22½ minutes. The gentleman from Wisconsin (Mr. OBEY) will control 10 minutes.

The Chair recognizes the gentleman from Vermont (Mr. SANDERS).

Mr. SANDERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as we begin this discussion, I think tonight about the fam-

ily farmers in the State of Vermont and throughout this country, people who are farming land which has often been in their family's possession for generations, people who work 7 days a week and want nothing more than to leave the land that they own to their kids, some of the very best people in this country.

□ 2130

This amendment is being brought forth to help those people not only in the Northeast, but all over this country.

Mr. Chairman, let me begin by thanking my colleagues from the Northeast, from the Midwest, from the South and other regions of this country for their help in shaping this bill. Let me be frank about saying that this bill is not perfect. It still needs work. But given the crisis facing family-based dairy farmers all over America, given the huge loss of farms that we have all experienced, it is a major step forward and it deserves the support of this body. It is my belief that the Senate is prepared to consider similar type legislation, and that some of the concerns that Members may now have about this bill can be worked out between this time and conference committee time. I will do everything in my power to work with Members to make that happen.

Mr. Chairman, in every section of our country, family farmers are being driven off the land because the prices that they receive for their products are woefully inadequate. This is bad for rural America, which is losing its agricultural base. This is bad for the environment, as more and more open land becomes parking lots and shopping centers. This is bad for the consumer because, with fewer farms producing food, prices are more and more dependent upon the whims of a few large corporate interests who are increasingly controlling the industry.

Mr. Chairman, we must preserve family-based agriculture in this country by making certain that dairy farmers all over America receive a fair and stable price for their product, and that is what this amendment seeks to do.

Many of my colleagues know that dairy legislation has been very hotly debated in this Chamber and in the Senate for a number of years. There has been a lot of bitterness and contentiousness. In that regard, let me be clear in stating that I am a very strong supporter of the Northeast Dairy Compact which, in fact, originated in the State of Vermont. I believe that the compact has worked well for the six States who are in it and for farmers in neighboring regions who sell their milk into the compact area.

I am proud that 25 States in this country voted for dairy compacts and that 163 Members of this body support the concept of a dairy compact.

But, Mr. Chairman, there are people in this body who disagree with me and with the other 162 Members who sup-

port the compact. They have argued that a compact in the Northeast and mid-Atlantic States and in the South and in other regions would hurt their family farmers in the Midwest and elsewhere. I happen not to agree with them, but that is what they believe. Now is not the time to argue whether my view is right or their view is right. What this amendment does is to say to farmers in the Northeast, in the Midwest, in the South, in the West, family farmers all over this country, that we must come together, stop our fighting and pass a bill that will work for every region of this country.

I am very proud, Mr. Chairman, that this legislation is absolutely nonpartisan, Democrats, Republicans and independents will vote for it, as will Members from the Northeast, from the Midwest, from the South and from every other region of this country. In fact, I believe some of the fiercest opponents of the dairy compact concept will be supporting this effort, and I am delighted to have them on board.

Let me very briefly tell you, Mr. Chairman, what this amendment does. This legislation creates a new national voluntary countercyclical program made up of participating States. It is voluntary. But upon enactment, all States who have already voted to participate in the dairy compacts are automatically approved. Those States are Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, West Virginia, Virginia, North Carolina, South Carolina, Georgia, Kentucky, Tennessee, Alabama, Mississippi, Louisiana, Arkansas, Missouri, Kansas and Oklahoma. Those States, because they have already approved the concept of a compact, are automatically in the program. But any other State that chooses can join and we expect that the vast majority of the States in this country will do so.

This legislation establishes a national dairy trust fund which does not cost the taxpayers of this country one penny. What it does do is establish a mechanism through which dairy processors pay into the fund an equal amount to the differences between the class 1 market price paid to the producer and \$17.50. This amendment establishes a cap which limits the amount of support any one farm can receive. The money acquired by the fund will then be distributed nationally to newly created regional boards based on the overall production of all milk, all milk, in the region.

This mechanism addresses the major concerns that our friends in the Midwest have had whose farmers only sell 15 percent of their milk for fluid purposes as opposed to the 40 percent average that exist nationally. In order to make certain that farmers do not overproduce, the newly created regional dairy boards may use a portion of the funds they receive for incentives to manage the supply of milk produced in

the region. Importantly, these boards are responsible for reimbursing the Federal Government for any additional surplus purchases that result from the program operating in their region. In other words, we have built in a strong supply management component.

Mr. Chairman, this bill says to farmers in Minnesota, in Wisconsin, in North Carolina, in Florida, in Idaho and Utah who have 100 cows, that they will receive the same help that farmers in Vermont and Maine and Massachusetts receive. It says that every region of this country is in danger of losing its family-based agriculture, and that we need a national approach to protect them.

If you are one of the over 160 Members of the House who are cosponsoring the dairy compact legislation, you should support this bill. If you are from one of the 25 States in the country that have voted to support the dairy compacts, you should support this amendment. If you are from the Midwest and have seen thousands of your family farmers go under because of the unstable, inadequate prices, you should support this bill. If you are interested in conservation and the environment, you should support this bill, because it keeps our farmland open. And if you are from urban areas and you want to make sure that your constituents will continue to receive healthy and fresh dairy products at a reasonable price, you should support this amendment.

Mr. Chairman, I yield to the gentleman from Louisiana (Mr. VITTER) who has an amendment that I am supportive of.

AMENDMENT OFFERED BY MR. VITTER TO AMENDMENT NO. 47 OFFERED BY MR. SANDERS

Mr. VITTER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. VITTER to amendment No. 47 offered by Mr. SANDERS: Strike "230,000 pounds" both places it appears and insert "500,000 pounds".

Mr. VITTER. Mr. Chairman, I offer this second-degree amendment to the Sanders amendment to make an improvement and remove one of the concerns that had originally arisen with his proposal. In the Sanders amendment as written, benefits are limited to 230,000 pounds of milk per month. That number really does not reflect the needs of all regions of the country, including my region in the South. Raising that amount to 500,000 pounds per month, which my second-degree amendment does, that would encompass and involve about a 300-cow farm, and would make dairy producers in many regions of the country, including the South, more comfortable with the gentleman from Vermont's underlying amendment. With this new 500,000 pound limit, most of the dairy farmers in Louisiana and many other regions would be properly included.

In offering this second-degree amendment, I want to thank the gentleman from Vermont for offering his proposals. Admittedly this is a work in

progress. It was only really largely developed and brought out to other Members in the last few days, but it clearly has a lot of potential. It is not everything the compact would offer to many dairy producers, including those in the South, but it is a very good work in progress that I would like to constructively support tonight, so that hopefully we can continue to perfect it as it moves along in the process. I want to thank the gentleman from Vermont for his cooperation and his pledge to work with all regions, including the South, to make sure that all dairy farmers' needs and concerns and questions are fully taken account of as hopefully we move forward in the process.

Mr. SANDERS. I thank my friend from Louisiana. I believe this amendment should be adopted because it advances our efforts to reach a consensus among dairy producers in this country. It represents a good compromise between those who would want a super low cap and those who have no cap. If we are ever to make any progress on dairy, all of us will have to give a little. So I appreciate the amendment. I urge its adoption.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The question is on the amendment offered by the gentleman from Louisiana (Mr. VITTER) to the amendment offered by the gentleman from Vermont (Mr. SANDERS).

The amendment to the amendment was agreed to.

Mr. COMBEST. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN pro tempore. The gentleman from Texas is recognized for 2½ minutes.

Mr. COMBEST. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. POMBO), chairman of the dairy subcommittee on the House ag committee.

Mr. POMBO. Mr. Chairman, I thank the gentleman for yielding me the time.

I want to start off by saying I appreciate a great deal the job that the gentleman from Vermont has done in his attempt to try and bridge some of the differences, some of the regional differences that exist. I appreciate that effort that he has put into this. But I do have to oppose his amendment to the bill.

I came to Congress 10 years ago, or almost 10 years ago. The committee that I was put on was the dairy subcommittee. I have had the great joy of spending literally countless hours debating dairy, not only here today, but over the last 10 years, and getting to appreciate those regional differences and just how difficult it is to try to construct national dairy policy that actually addresses one region of the country where their average dairy may be 40, 45 cows, versus a region of the country like the one that I happen to represent, where our average dairy is

almost 600 cows. With the Vitter amendment, which is a step in the right direction, he is still about half the size of the average dairy in my district. That makes it totally unworkable in terms of my district.

The details of this particular plan, I think we could debate through the night, whether they are good or bad, but I can tell the gentleman from Vermont that I have no idea what the impact is going to be on California, on Vermont, on Wisconsin, Minnesota or anyone else. I saw this for the first time yesterday. I have not seen any of the economic analysis on this. I have no idea how it is going to impact the average family farmer, whether that be in his district or mine.

Until we have the opportunity to sit down and actually figure out what the impacts are, what the impact is going to be on overall production, if you are going to go up to a \$17 price, does that increase the amount of production in this country? What happens to the average dairy size in California? Do we all of a sudden go from 600 to 300 and take twice as much land so that every dairy qualifies for the program?

There are a lot of questions that are unanswered. Unless we have the opportunity to go through the regular process, to have the committee hold hearings on this, to look at the economic analysis, unfortunately there is no way at this point that I could support this legislation.

As I said, I appreciate the job that the gentleman did. I appreciate the effort. I look forward to working with him in the future because I do think that this is a place that we can start and we may be able to move on from here. But at this time there is just no possible way that this amendment should be included in the farm bill.

Mr. COMBEST. Mr. Chairman, I ask unanimous consent that half of the time allotted in opposition, which I think would be 1¼ minutes, be given to the gentleman from Texas (Mr. STENHOLM) or his designee for his control.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PETERSON of Minnesota. Mr. Chairman, I would like to take the time that has been allotted to us.

The CHAIRMAN pro tempore. The gentleman from Minnesota is recognized for 1¼ minutes.

Mr. PETERSON of Minnesota. Mr. Chairman, I yield myself such time as I may consume.

□ 2145

Mr. Chairman, I reluctantly rise as well to oppose this amendment. I serve as the ranking member of the Subcommittee on Livestock and Horticulture, and I have had the joy, as the gentleman from California (Mr. POMBO) put it, to be on that committee I think 2 years longer than he has, which has been an educational process.

But I think that we all should recognize that the gentleman from Vermont (Mr. SANDERS) has been an outstanding advocate for family farmers, and especially dairy farmers. There is nobody that has worked harder. A lot of the ideas he has in his amendment are ideas that I support in concept and have worked on with him and in other venues to try to put something together, but we just have never been able to overcome the regional differences. As the chairman said, this may be a start where we can start trying to work through this.

I just would like to say to Members, I think one of the reasons we are in this problem is our own fault, because we have written dairy legislation not in the committee; we have written it on the floor.

Ever since I have been here, we have been through this fight; and we end up writing these bills on the floor, and I would argue that one of the reasons the program is having so much of a problem is because we have done it this way. We have kind of brought this on ourselves.

I understand the pressures that people have in the Northeast and the Southeast. I have been all over this country. I have talked to dairy farmers in every part of the country. I have sat through thousands of hours of hearings and meetings; and if the chairman and I knew a way to work this out, we would have done it a long time ago.

The concerns that I have with the present amendment go along the lines of what the chairman said; but in addition to that, I have looked at these floors, whether they be on Class III or Class I or whatever, and I have become convinced that if we do any kind of a floor at this level without very strong mandatory supply management, we are going to get so much milk that we are not going to know what to do with it, and we are going to collapse the prices down to price supports. We have been kind of through that. I think some of the reason that has happened is because of the legislation that we put together on this floor the last couple of times.

So the supply management component that is in here, I applaud the gentleman from Vermont (Mr. SANDERS) for recognizing the need for that, but I do not have a lot of confidence that this is going to be enough to be workable.

The Secretary along with me working through this and trying to put together a national coalition on supply management, which I have been doing over the last couple of years, has indicated to me that she is not really in favor of supply management; and I have some real questions about whether the Department would implement a program that would actually be workable.

The last thing we need to do is pass legislation that is going to make the situation worse, rather than better. I think that that may be the outcome of

this legislation if we did not have a very strong supply management component to make sure that we do not overproduce and end up with big surpluses.

So I think sitting here today and spending all this time listening to the compact debate, and now we are in another debate here this evening, I think it is time we admit where we are at with this. We cannot get these regions of the country to agree with each other, and I am not sure we ever can.

Apparently the different regions of the country are bound and determined to have their own system, so I have talked to the chairman today about the possibility of he and I putting together legislation that would end the dairy program at the Federal level of the United States. The only thing the industry agrees on, the only one thing, is a \$9.99 price support. The reason is, after they get done with all of the things they are doing and they want us to bail them out at the end, well, if these States want to do this and if they want to go off and do their own thing, I think that is fine. Then we should get stepped back out of this, get rid of the price support system, get the Federal Government out of this system, and let the States set up their own process as they see fit.

I would be more than willing to support legislation to allow them to form the compacts in any way that they want, and then they could set up their own purchase system if they produced too much or supply management or whatever it is. But I have become convinced this is the answer to this problem, because all we are doing with what we are continuing on with here is making things worse every time we pass a new dairy bill.

So I am going to ask the chairman that we put a bill together in this fashion, and I would ask him that we have hearings on it and we seriously look at it.

Mr. POMBO. Mr. Chairman, will the gentleman yield?

Mr. PETERSON of Minnesota. I yield to the gentleman from California.

Mr. POMBO. Mr. Chairman, as the gentleman and I discussed earlier off the floor, I do think that it is time that we start looking at whether or not we need a Federal order system, whether the Federal Government should be involved at all, because if we are going to adopt a number of compacts, if we are going to have these state-run systems, quite frankly, the Federal taxpayer should not be the one who has to absorb the mistakes of all of these systems.

If that is the direction we are going to go, if Congress in its infinite wisdom decides we are going to allow compacts and we are going to allow States to adopt their own system, then the Federal taxpayer should not be expected to bail them out when they make a mistake.

So I will work with the gentleman. We will work toward putting a bill to-

gether that tries to accomplish that. We will hold hearings on it, and we will open the debate and allow the Congress to work its will.

Mr. PETERSON of Minnesota. Mr. Chairman, reclaiming my time, I thank the chairman. In my judgment it is unfortunate we are getting to this situation. But people need to understand that if we put the price of milk at a high level, dairy farmers are very good at producing and they are going to make milk; and they are going to make more milk than we can consume, and we are going to have a problem figuring out what to do with it. That has been the problem over the last number of years. That is why I say that this amendment may be workable if we had a very strong supply management component, but I am skeptical we are going to get one, given the current administration and given the division in the industry.

Mr. Chairman, I appreciate the chance to get that off my chest.

Mr. Chairman, I reserve the balance of my time.

AMENDMENT OFFERED BY MR. OBEY TO THE AMENDMENT OFFERED BY MR. SANDERS

Mr. OBEY. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. OBEY to the amendment offered by Mr. SANDERS:

Strike paragraph (6) of subsection (b) of the section being added by the amendment and insert the following:

(6) PAYMENTS FROM PROCESSORS TO TRUST FUND.—

(A) IN GENERAL.—During any month for which the Secretary estimates that the average price paid by processors for Class I milk in a District will not exceed a target price applicable to that District, each processor in a participating State in the District that purchases Class I milk from an eligible producer during the month shall pay to the Secretary for deposit in the Trust Fund an amount obtained by multiplying—

(i) the payment rate determined under subparagraph (B); by

(ii) the quantity of Class I milk purchased from the eligible producer during the month.

(B) PAYMENT RATE.—The payment rate for a payment made by a processor that purchases Class I milk in a participating State in a District under subparagraph (A)(i) shall be equal to—

(i) in the case of a marketing area in the District, the difference between—

(I) the target price for that marketing area; and

(II) the minimum price required to be paid to eligible producers for Class I milk in that marketing area; and

(ii) in the case of an area in the District not covered by an order, the difference between—

(I) the target price for the area determined by the Secretary under subparagraph (C); and

(II) the minimum price determined by the Secretary, taking into account the minimum price referred to in clause (i) in adjacent marketing areas.

(C) TARGET PRICES.—In the paragraph, the term “target price” means—

(i) \$17.50 per hundredweight, in the case of the Northeast marketing area;

(ii) \$17.35 per hundredweight, in the case of the Appalachian marketing area;

(iii) \$18.25 per hundredweight, in the case of the Florida marketing area;

(iv) \$17.35 per hundredweight, in the case of the Southeast marketing area;

(v) \$16.05 per hundredweight, in the case of the Upper Midwest marketing area;

(vi) \$16.25 per hundredweight, in the case of the Central marketing area;

(vii) \$16.25 per hundredweight, in the case of the Mideast marketing area;

(viii) \$16.15 per hundredweight, in the case of the Pacific Northwest marketing area;

(ix) \$17.25 per hundredweight, in the case of the Southwest marketing area;

(x) \$16.60 per hundredweight, in the case of the Arizona-Las Vegas marketing area;

(xi) \$16.15 per hundredweight, in the case of the Western marketing area; and

(xii) in the case of an area not covered by an order, a price per hundredweight determined by the Secretary, taking into account the target prices in adjacent marketing areas.

Mr. OBEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN pro tempore. Under the previous order of today, the gentleman from Wisconsin (Mr. OBEY) is recognized for 10 minutes.

Mr. OBEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, no one in this Chamber has been more opposed to regional dairy compacts than have I. The gentleman from Vermont (Mr. SANDERS) and I have exchanged many a strong word about that subject. But I participated in several meetings in the Speaker's office a while back, meetings which he hosted to try to see if there was not some way you could overcome the regional differences on the issue of dairy. At that time, the Speaker was lamenting the fact that the regions did not seem to be able to get together in any way.

The gentleman from Vermont (Mr. SANDERS) has, I believe, brought to the House an approach which, although I believe it needs refinement, could in fact accomplish that purpose; and I want to congratulate him for it. I intend to vote for the amendment, even though I have been totally opposed to the idea of regional compacts, because I think the gentleman offers us a way to raise dairy farm income without discriminating geographically or regionally across the United States. So I would urge that the gentleman's amendment be adopted.

It just seems to me that we need make no apology for trying to find ways to raise dairy income. The effect of the gentleman's amendment, I believe, would be to marginally increase dairy income in all sections of the country, and it has provisions that guard against oversupply; and it has provisions which equalize the burden of doing that. I think it is the most imaginative effort to overcome regional differences that I have seen in the last 4 or 5 years.

I do think it has one defect, and I have an amendment that would correct that; and I would ask the House, however they intend to vote on the Sanders amendment, to simply adopt my amendment to perfect the Sanders amendment before we proceed to vote on it.

As written, the amendment essentially provides for one Class I price, the price of milk for fluid use all across the country. The problem is that currently there are differences in Class I price in different regions of the country. Those differences are used to facilitate the movement of milk between regions, especially during times of short supply.

By having a single unified price we would interfere with that process, and my amendment would simply adjust the numbers in the bill so that regardless of the size of the differentials in regions, you would take those differentials into account in setting the different regional prices in the gentleman's amendment. I would urge, however you intend to vote on the Sanders amendment, to adopt this amendment before you vote on that.

Having said that, I would like to ask the gentleman a question, if the gentleman would engage in a colloquy.

My understanding is that under the gentleman's proposal, a 50- or 100-cow farmer in Minnesota or Wisconsin where a Class I utilization is relatively low would receive the same payment as a 50- or 100-cow farmer in Florida or Vermont, or anywhere else a Class I utilization is higher. Is that correct?

Mr. SANDERS. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Vermont.

Mr. SANDERS. Mr. Chairman, that is correct.

Mr. OBEY. Payments would be made based upon the production, up to a limit of 500,000 pounds of milk per month, and not based on whether the milk would go into manufacturing products such as cheese or butter or fluid use. Is that correct?

Mr. SANDERS. If the gentleman will yield further, that is absolutely correct.

Mr. OBEY. Mr. Chairman, reclaiming my time, I think this issue is extremely important for farmers all over the country, because with this kind of a nationalized arrangement, we would, for the first time, enable the gentleman's farmers in his area of the country to receive a higher price for their product without penalizing farmers in my region or any other region of the country.

If the gentleman's amendment is adopted, I would certainly want his assurances that that national pooling provision would not be eliminated at any time during the process, if he had anything to do with it.

Mr. SANDERS. Mr. Chairman, if the gentleman will yield further, he has my absolute assurances.

Mr. POMBO. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from California.

Mr. POMBO. Mr. Chairman, it is my understanding we are dealing with Class I.

Mr. OBEY. That is right.

Mr. POMBO. I think I heard the gentleman say Class III.

Mr. OBEY. No.

Mr. POMBO. So what we are talking about is the Class I milk would be the same price, whether you are in Wisconsin or Vermont?

Mr. SANDERS. Mr. Chairman, if the gentleman will yield, yes.

Mr. POMBO. What about California?

Mr. SANDERS. Yes. If California voluntarily chooses to come into the program, the answer is yes.

Mr. OBEY. Mr. Chairman, reclaiming my time, could I ask the gentleman a favor? Because I have only 10 minutes on this amendment, I would like to limit the discussion to my amendment to the Sanders amendment, and then I think the gentleman can deal with other potential problems with the Sanders amendment on the gentleman's time.

Mr. POMBO. Mr. Chairman, if the gentleman would yield further, I am trying to figure out what the gentleman's amendment will do.

Mr. OBEY. Mr. Chairman, the problem that the gentleman has now is that each region has a different differential payment. If you have one uniform price that is paid all across the country, then in effect farmers are not getting the same benefit if they live in a region that has a lower differential as opposed to a higher differential, and you in fact place an undue burden on processors in certain parts of the country who would be making up the difference between, in fact, the floor price and the market price. That was an inadvertent mistake in the gentleman's amendment, and I am simply trying to correct it in the event that it would pass.

Mr. Chairman, I reserve the balance of my time.

Mr. SANDERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to thank the gentleman from Wisconsin, and I look forward to working with him so that we can protect the farmers in Vermont and Wisconsin and every other region in this Nation.

Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut (Mrs. JOHNSON).

Mrs. JOHNSON of Connecticut. Mr. Chairman, I thank the gentleman for yielding me time.

I would hope that the gentleman from California and the gentleman from Minnesota (Mr. PETERSON) would really reconsider their opposition to this amendment. It is absolutely true that more analysis needs to be done, no question about it, and questions have to be answered. But this amendment has some at least real potential for resolving an issue that has deeply divided this House and deeply divides America on farm policy by region.

Now, I would like the amendment to allow much more opportunity for consumer-based boards to have a say in this process at the regional level. That has been one of the strengths of the compact approach. I think when a State decides to enter this program, they should also set up a board that has consumers on it to begin to watch the price and see how much this helps their farmers.

Mr. Chairman, I regret the fact that the chairman of the committee and others on it who have a great deal of influence on policy cannot be bothered to listen.

□ 2200

Because I heard passionate speeches all day about how much your farmers need the subsidies in this bill. Do my colleagues not understand that our dairy farmers are in exactly the same position in New England and they get nothing. And they are going to go under if we cannot either extend the dairy compact or find a different way for our region?

Mr. POMBO. Mr. Chairman, will the gentlewoman yield?

Mrs. JOHNSON of Connecticut. I yield to the gentleman from California.

Mr. POMBO. Mr. Chairman, does the gentlewoman not understand that I represent more dairy farmers than she does? Does she not understand that I have more cows than she does?

Ms. JOHNSON of Connecticut. Mr. Chairman, I must reclaim my time. The Constitution was finely written when they found a way for small States to be able to have a voice equal to big States. So I understand the gentleman represents more farmers than I do, but it does not make the survival of any individual farm in Connecticut of any lesser value than the survival of a farm anywhere else in the country. That is all I am saying.

What I want my colleagues to think about is that this approach, integrating this issue and solving it through the existing marketing order through a system that is voluntary, that I think could be made more flexible and responsive to consumer interests as we work on it and analyze it, offers the best hope that we have had so far to really recognize the needs of dairy farmers across America.

The marketing order system is a one-size-fits-all. The reason we fight about dairy policy is because one size does not fit all anymore, and this amendment does offer us the opportunity, within a national umbrella, to begin to find a way for regions to manage in a way that supports farmers. That is our interest, to support farmers.

So I am pleased that we do have a supply management provision in here. The compact has been successful at that. Most dairy policies nationally have not been successful at managing supply, and it has not cost the national taxpayers a dime. I urge my colleagues to give it a chance. Let us talk this out. Perhaps we can deal with it in the conference.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Chairman, I thank the gentleman for yielding me this time.

I would like to thank the gentleman from Vermont (Mr. SANDERS) for his effort in putting this amendment together. We have had this fight for years. We have had this fight for hours today about removing these regional disparities with respect to dairy, and that has been a fight that we have had for a long, long time. I unfortunately believe it is a fight we are going to continue to have.

But this amendment is so broad and so sweeping and so comprehensive in so many ways that it leaves a lot of unanswered questions on the table. One of the concerns I have, which is a question or a concern is that, A, we have not seen a large scale analysis as to its real effect across the country. I really do not know what this is going to do to the dairy farmers in Wisconsin. One of the concerns I have is that this could incentivize an oversupply of class 1 price, which could turn over and depress the price of class 3 milk, which is what we produce where I come from. So I am concerned that this may actually depress our class 3 price in the upper Midwest.

But I do applaud this effort. I think it is high time we think outside the box and try and get rid of the regionalism that has too long plagued this debate, but it is just not ready for prime time, in my opinion.

Mr. SANDERS. Mr. Chairman, will the gentleman yield?

Mr. RYAN of Wisconsin. I yield to the gentleman from Vermont.

Mr. SANDERS. Mr. Chairman, I appreciate the gentleman's sentiments, and I am the first to admit that more work needs to be done. But I think the gentleman will agree with me. The gentleman has seen some of the best people in his State lose their farms and go out of business. I have seen the same thing. I think we have to work together. I think this is a good start. We do not have a lot of time. I would appreciate the gentleman's support for the amendment and work with us so that we can make this a good amendment for Wisconsin and the Northeast and the whole country.

Mr. RYAN of Wisconsin. Mr. Chairman, the gentleman has my pledge to work with him on fixing this process. By this time tomorrow night, we are going to lose four dairy farms in the State of Wisconsin at the pace we are at right now. We have lost more dairy farms in the State of Wisconsin in the last 10 years than any other State in the country has ever had, save Minnesota. I want to expand on those points, but I do think that there are a lot of unanswered questions with this amendment. I applaud the effort. I hope we can work together after this to finish this.

Mr. SANDERS. Mr. Chairman, I yield 2 minutes to the gentlewoman from

Connecticut (Ms. DELAURO) who has been a real fighter for family farms.

Ms. DELAURO. Mr. Chairman, I rise in support of the Sanders amendment, and I wanted to congratulate the gentleman from Vermont for really making a breakthrough here on an issue that has been divisive and to say also to the gentleman from Wisconsin, on this issue, if the folks from Vermont and Wisconsin can get together on this effort, we really do have what we have been trying to talk about and create an effort here that does the best for the people in this country and in this instance to the dairy farmers of this country.

The gentlewoman from Connecticut (Mrs. JOHNSON) spoke a minute ago; and we do have dairy farms, albeit not as many as other people in this body have, but I think she was absolutely correct in saying that their livelihood, their ability to succeed equals that ability to succeed of dairy farmers all over this great country of ours. That is what this amendment is all about.

This is meant to enhance the income of all dairy farmers, no matter where they come from. It is a voluntary program. There are no mandates here. It costs the taxpayer nothing. It would be administered through regional boards; it would distribute the funds to the dairy farmers that are in need of them. It deals in many ways with the complexity of trying to look at the price differentials, and that is critical.

Is it all ironed out? No. But it is such a very good start to something that has been such a divisive issue in this body. It brings benefits, yes, to the Northeast and to my dairy farmers, and it brings that kind of success that we had with that Northeast dairy compact to the rest of the dairy farmers around the country. It preserves small dairy farmers all over the country; it allows them to do what they want to do and that is to pass their farms on to the next generation. It is a good amendment, and I urge my colleagues to support it.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The Chair would advise Members that the gentleman from Texas (Mr. COMBEST) has 6¼ minutes remaining; the gentleman from Texas (Mr. STENHOLM) has 4¼ minutes remaining; the gentleman from Vermont (Mr. SANDERS) has 7½ minutes remaining; and the gentleman from Wisconsin (Mr. OBEY) has 4 minutes remaining.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin (Mr. GREEN).

Mr. GREEN of Wisconsin. Mr. Chairman, I thank the gentleman for yielding me time.

Like so many others tonight, let me begin by saying that I sincerely appreciate the effort that the gentleman from Vermont has shown. It is innovative because it takes a small step away from regionalism and towards national policy, and that is obviously something that many of us have been arguing for for a long time.

Regrettably, I cannot support this amendment right now. I hope to be able to support the concept as it is refined later on. One reason I cannot support it is that in its current form, it does not add to clarity or simplicity in dairy policy, something that I think is very important. We need predictability and clarity for our dairy farmers, for our producers, so they have a system they can rely upon, a system they can believe in.

Secondly, I am troubled by the fact that class 3 prices, payments are dependent upon annual appropriations. I am not sure we want our dairy farmers to be subject to the whims and fancies of this institution and its appropriations process.

Tonight I think we have taken an important step forward, though, because in the debate we have had tonight, we have recognized that dairy farmers all across this Nation are suffering.

To the gentlewoman from Connecticut who spoke earlier who said quite passionately that the loss of her farms is no less important than the loss of farms elsewhere, I would agree; but I would remind her that regionalism which has helped her dairy farms cause our losses to be because of her dairy policy.

The other side has talked passionately about losses of hundreds of dairy farms. Tonight, in our State of Wisconsin, I heard the gentleman from the first district of Wisconsin speak, we talk about thousands. By tomorrow night this time, my State will have lost four more dairy farms.

So we need to move towards a national policy. I commend the gentleman for his small step in that direction, and I pledge to work with him. Hopefully we can fix this and get to a national policy.

Mr. SANDERS. Mr. Chairman, I yield myself 1 minute and say to my friend from Wisconsin, the gentleman has described that he is losing four farms a day; he has described that perhaps no other State in this country has lost more family farms than his great State; he has described the pain and the sadness that the people of his State are feeling in this transition. Yet, we keep talking about that, we keep talking about the loss of farms in the Northeast and then we say, well, this is not perfect.

Well, I have a problem with that, oh, gee, this one does not work in every part of the country. I understand that. But the gentleman is going to lose four more farms tomorrow, and I will lose a farm. We are giving our colleagues a blueprint, an outline. If we reject this, nothing will happen this year, in my view, to protect family farmers; and we are going to continue to lose the farms.

Mr. Chairman, I urge my colleagues to work with us to develop a national policy that works for Wisconsin, that works for Vermont. This is a step forward. It is not the end-all. There are folks in the Senate who are sympathetic to this concept. We have time to

refine it. So I would urge the support of my colleagues for this amendment tonight.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Wisconsin (Mr. OBEY) to the amendment offered by the gentleman from Vermont (Mr. SANDERS).

The amendment to the amendment was agreed to.

Mr. OBEY. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, let me simply say as a matter of good faith, I have, as I said earlier, opposed the idea of compacts for years. I think they have been divisive; I think this ought to be one country. I do not think we ought to have a Balkanized milk marketing arrangement.

What the gentleman from Vermont (Mr. SANDERS) is trying to do here is to find a way to enable us to raise income, however marginally, for dairy farmers, because of his desperate concern about their viability long term.

Now, I do not think this is a perfect arrangement by any means. I have substantial questions about it. But I do have confidence in the ability of this committee if this were adopted to rationalize it in conference so that it would be workable for the country. I think if ever there was a time when we need to try to find unifying efforts in this country, in all fields, it is now. This may not be perfect, but it is the only, it is the only proposition I have seen in 5 years time that tries to bridge regional differences in the dairy area.

Mr. Chairman, I think it does it in a fairly effective way. I have not had much time to look at it either, and I recognize what the gentleman from California (Mr. POMBO) says, and I recognize what the chairman of the committee says, and I am sure the gentleman from Texas (Mr. STENHOLM) feels the same way, that this is not fully worked out. But I think in the end it is better than saying to the country, we are going to do nothing significant to raise dairy prices over the long term.

Right now my farmers are getting more money for milk than they have gotten in a long time. That is not going to last very long. If we do not do something tonight to at least look for ways to raise that income, for the next 5 years, we are going to be going home and saying to our constituents, sorry, there is not anything we can do it.

Mr. Chairman, this is the only device that I see on the board that gives us the opportunity to do something about it, and I personally would urge its adoption, and I thank both sides for their courtesy.

□ 2215

Mr. SANDERS. Mr. Chairman, may I inquire how many more speakers the gentleman from Texas (Mr. COMBEST) has?

Mr. COMBEST. Mr. Chairman, none at the current time.

Mr. SANDERS. Mr. Chairman, who has the right to close?

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The gentleman from Texas (Mr. COMBEST) has the right to close.

Mr. SANDERS. Mr. Chairman, I yield myself such time as I may consume.

Let me make my concluding remarks. Let me pick up on the point that the gentleman from Wisconsin (Mr. OBEY) made.

Those of us who come from rural America and those of us who know family farms are touched emotionally by this issue. So for those people who are not from farm areas, they may not understand the passion involved in this discussion. We know that our farmers are some of the very best people in our States. They love the land. They protect the environment. They work, in some cases, seven days a week. In my State we have many farmers who make 15, 20, \$25,000 a year working 60 or 70 hours a week. What their dream is is to leave the land that they inherited from their parents to their kids.

When I drive around the State of Vermont, I never cease to get a very positive feeling and a wonderful feeling when I go through the rural areas of my State, which are so beautiful, and I am sure that that feeling is matched by those in other States who also appreciate what their farmers are doing.

Mr. Chairman, we are up against the wall. For years we have been talking about how we protect the family farm, not only in dairy, but in every other commodity and we are losing. The best people in our country are being forced off the land because they cannot live on the paltry amounts of money that they are getting for their commodities, be it milk or any other commodity.

What is happening in dairy is happening in industry after industry. The little people are being driven off of the land and industry is being consolidated and the big get bigger and they control the industry. We are seeing in the New England area some processes who now control 80 percent of the purchase of milk and that is true in other regions of country.

Our friends from Wisconsin say they are losing four farms a day. How much time do we have to continue the debate? I agree with what the gentleman from Wisconsin (Mr. OBEY) said. This is not a perfect amendment. It needs more work. But let us come together let us make it a better bill so that it works better for South or the West or the Midwest or the Northeast. We can do this.

Mr. Chairman, I believe there is support in the Senate for this concept. Let us not say, no, no, no, it is not perfect. It is not perfect that our farmers are being driven off the land. Let us draw the line and try to do something. This is a good-faith effort to bring people together to save some of the best people in our country. I would hope that this body could support this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. STENHOLM. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, if we look at the facts as the gentleman from Wisconsin (Mr. OBEY) mentioned, his dairymen, my dairymen are doing quite well today. In fact, the September Federal price in the compact area is \$18.81. The compact price is \$16.94.

Some regions of the country, my district, for example, my State, a few months ago were in favor of the compact but began to see some of the problems associated with it and began to look at what they can do to help themselves. Lo and behold, they are finding that they can do a lot to avoid a collapse of milk prices by working together with the manufacturers, with the retail stores.

It would seem to me the Northeast has a wonderful opportunity now to do just that. To do it with this legislation of which I too, I join in saying I know what the gentleman is trying to do. But we cannot put together dairy policy for the Nation in a matter of a few hours to overcome a problem regarding legislation on compacts. No matter how much we say we would like to do it, it cannot be done.

The main thing for dairymen right now is to understand if they want to keep getting price, they have to manage their inventory and they are the only ones that can do that. If they set the price too high, they will get more production. It is just going to happen.

There are ways we can do it. I will join with the gentleman from Vermont (Mr. SANDERS) and the gentleman from Wisconsin (Mr. OBEY) and all to continue to look at how we do it.

The gentleman from Minnesota (Mr. PETERSON) a moment ago said it best when he said, and I will paraphrase him, any State that wishes to go their own way can go their own way.

If that is what we really want to do is start going individual State compacts, then let us do it. Let us eliminate the Federal market order system and let us go it our own. I happen to believe that maybe dairymen would be better off with that; but the dairy industry is not ready to go there yet because just as the chairman, the ranking member said in all the hearings that they sat through again and all the years in which I was chairman of the Dairy Committee, we never were able quite to get there.

Let us conclude by saying this, if there is one thing that has been effusive throughout the debate today is the recognition of the necessity of getting a higher price to our producers for what they produce, whether it is milk, whether it is sugar, whether it is cotton, whether it is wheat, whether it is soybeans, whether it is corn, whatever it is we are growing, we cannot grow it cheaper than what we have been doing.

The question is how do we get the price? I submit that we need to use this opportunity today in all areas of the country to do what is happening in

some, recognizing that through true cooperative effort among dairymen within regions, within States is the best way to do it.

Therefore, I again, as I have done all night, reluctantly, in this case not so reluctantly, because in all honesty, we cannot legislate dairy policy in a manner in which has been described tonight and do justice.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The Chair would remind the Members that the gentleman from Vermont (Mr. SANDERS) has 3½ minutes remaining and the gentleman from Wisconsin (Mr. OBEY) has 2 minutes remaining.

Mr. COMBEST. Mr. Chairman, I reserve the balance of my time.

Mr. OBEY. Mr. Chairman, I yield back the balance of my time.

Mr. SANDERS. Mr. Chairman, I yield back the balance of my time.

Mr. COMBEST. Mr. Chairman, I yield whatever time remains to the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Chairman, I thank the gentleman for yielding me time and I want to thank the gentleman from Vermont (Mr. SANDERS) and the gentleman from Wisconsin (Mr. OBEY) for this very constructive debate. This is the first time I think since I have been here, we have had actually a constructive discussion about dairy policy. I appreciate the frustration, particularly of the gentleman from Vermont (Mr. SANDERS) on issues that are important to him. We are in the Committee of the Whole, and this is the opportunity we have to offer these kind of amendments.

I am afraid that I and my staff were trying to figure out exactly what this amendment, and with the amendment from the gentleman from Wisconsin (Mr. OBEY), would mean. We had a very difficult time sorting all of this out, and I suspect that was even true for some of the experts that worked for the committee and perhaps even down at the USDA.

What I am concerned about, it has been mentioned already, is the law of unintended consequences. This is a place, of course, where we write law, but it is also an area where we can make bad law, and I am afraid what will happen with this amendment if we raise the price of Class I milk, and this is what a couple of our colleagues said earlier. Class I milk that goes into fluid milk, if we raise that price too high, whether it is in Vermont or anywhere else in the United States, what ultimately will happen is we will increase production because we do write law in this Chamber, we amend laws in this Chamber.

There is one law we can neither amend nor change, and that is the law of supply and demand. That really is what is at the core of the problem we have with dairy policy, because if we artificially set prices too high we increase the supply and we may forestall

some of those farmers going out of business, but ultimately, we are only going to forestall the day when that will happen.

Mr. SANDERS. Mr. Chairman, will the gentleman yield?

Mr. GUTKNECHT. I yield briefly to the gentleman from Vermont.

Mr. SANDERS. Mr. Chairman, I do not know if my colleague saw it, but we have very strong supply management components in the legislation.

Mr. GUTKNECHT. Mr. Chairman, reclaiming my time, that is good, but again, we cannot exactly analyze how that will work, but ultimately, again, if we try to artificially raise the prices too high, particularly for fluid milk, it backs up into what we call Class III milk, which is 85 percent of the milk produced in my district, ultimately winding up going into cheese, and that is where the problem begins to really get difficult for us.

So while I recognize the frustration of trying to make an amendment here on the floor of the House in the Committee of the Whole, which is the appropriate place, I really do hope that my colleague will take the offer that has been made, that we can work on this as we go forward.

It does not have to be part of this farm bill. I think there are a growing number of people here that really believe the time has come to at least scrap everything we have and start with a blank sheet of paper. Our friend, the gentleman from Wisconsin (Mr. RYAN) did not do it this year, but a couple of years ago he read on the floor of the House the formula that is used today in the milk marketing order system. It is unbelievably complicated. There are only I think three people in Washington who completely understand it, and I understand that there is a rule at USDA that no two of them could be on the same airplane at the same time.

We really do need to have a new dairy policy. It needs to be more simple, it needs to be more understandable, and we must make certain that it does not have unintended consequences.

With the deepest respect, I will oppose the amendment, and I hope my colleagues will join me.

The CHAIRMAN pro tempore. All time has expired.

The question is on the amendment offered by the gentleman from Vermont (Mr. SANDERS), as amended.

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. SANDERS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The CHAIRMAN pro tempore. Pursuant to clause 6 of rule I, the Chair announces that he will reduce to a minimum 5 minutes the period of time within which a vote by electronic device will be taken on each amendment on which the Chair has postponed further proceedings.

The vote was taken by electronic device, and there were—ayes 194, noes 224, not voting 12, as follows:

[Roll No. 368]

AYES—194

Abercrombie	Gutierrez	Ney
Ackerman	Harman	Norwood
Allen	Hart	Oberstar
Andrews	Hastings (FL)	Obey
Baker	Hinchey	Owens
Baldacci	Hobson	Pallone
Baldwin	Hoeffel	Pascarell
Barrett	Holden	Pastor
Bartlett	Holt	Payne
Bass	Hooley	Pelosi
Bereuter	Horn	Peterson (PA)
Blagojevich	Hoyer	Pickering
Boehlert	Inslee	Pitts
Bonior	Israel	Platts
Borski	Jackson (IL)	Price (NC)
Boucher	Jackson-Lee	Pryce (OH)
Boyd	(TX)	Quinn
Brady (PA)	Jenkins	Rahall
Brown (FL)	Johnson (CT)	Rangel
Brown (OH)	Jones (NC)	Regula
Bryant	Jones (OH)	Reynolds
Capito	Kanjorski	Rivers
Capps	Kaptur	Roemer
Capuano	Kelly	Rogers (KY)
Cardin	Kennedy (RI)	Rothman
Carson (IN)	Kildee	Roukema
Carson (OK)	Kilpatrick	Royal-Allard
Castle	Kind (WI)	Rush
Clayton	King (NY)	Sanchez
Clement	Kleczka	Sanders
Clyburn	Kucinich	Sandlin
Coble	LaFalce	Sawyer
Condit	Langevin	Saxton
Conyers	Lantos	Schakowsky
Cooksey	Larson (CT)	Scott
Coyne	LaTourette	Sherman
Crowley	Lee	Sherwood
Cummings	Levin	Shows
Davis (FL)	Lewis (GA)	Shuster
Davis (IL)	Lewis (KY)	Simmons
Davis, Jo Ann	LoBiondo	Slaughter
DeGette	Lowe	Snyder
DeLauro	Luther	Spratt
Deutsch	Maloney (CT)	Stark
Doyle	Maloney (NY)	Strickland
Duncan	Mascara	Stupak
Ehlers	Matsui	Sweeney
Emerson	McCarthy (NY)	Tauscher
Engel	McCrery	Taylor (MS)
English	McDermott	Taylor (NC)
Eshoo	McGovern	Thurman
Etheridge	McHugh	Towns
Farr	McKinney	Upton
Fattah	McNulty	Velazquez
Ferguson	Meehan	Vitter
Filner	Meek (FL)	Waters
Fossella	Meeks (NY)	Watson (CA)
Frelinghuysen	Menendez	Watt (NC)
Gekas	Millender-McDonald	Weiner
Gephardt	Miller, George	Weldon (PA)
Gilchrest	Mink	Whitfield
Gilman	Morella	Wolf
Goode	Nadler	Woolsey
Green (TX)	Napolitano	Wynn
Greenwood	Neal	
Grucci		

NOES—224

Aderholt	Brady (TX)	DeFazio
Akin	Brown (SC)	Delahunt
Armey	Burr	DeLay
Baca	Buyer	DeMint
Bachus	Calvert	Diaz-Balart
Baird	Camp	Dicks
Ballenger	Cannon	Dingell
Barcia	Cantor	Doggett
Barr	Chabot	Dooley
Barton	Chambliss	Doolittle
Becerra	Clay	Dreier
Bentsen	Collins	Dunn
Berkley	Combest	Edwards
Berman	Costello	Ehrlich
Berry	Cox	Evans
Biggert	Cramer	Everett
Bilirakis	Crane	Flake
Bishop	Crenshaw	Fletcher
Blumenauer	Cubin	Foley
Blunt	Culberson	Forbes
Boehner	Cunningham	Ford
Bonilla	Davis (CA)	Frank
Bono	Davis, Tom	Frost
Boswell	Deal	Galgely

Ganske	Lipinski	Schiff
Gillmor	Lofgren	Schrock
Gonzalez	Lucas (KY)	Sensenbrenner
Goodlatte	Lucas (OK)	Sessions
Gordon	Manzullo	Shadegg
Goss	Markey	Shaw
Graham	Matheson	Shays
Granger	McCarthy (MO)	Shimkus
Graves	McCollum	Simpson
Green (WI)	McInnis	Skeen
Gutknecht	McIntyre	Skelton
Hall (OH)	McKeon	Smith (MI)
Hall (TX)	Mica	Smith (NJ)
Hansen	Miller (FL)	Smith (TX)
Hastings (WA)	Miller, Gary	Smith (WA)
Hayes	Moore	Solis
Hayworth	Moran (KS)	Souder
Hefley	Moran (VA)	Stearns
Herger	Myrick	Stenholm
Hill	Nethercutt	Stump
Hilleary	Northup	Sununu
Hilliard	Nussle	Tancredo
Hinojosa	Ortiz	Tanner
Hoekstra	Osborne	Tauzin
Honda	Ose	Terry
Hostettler	Otter	Thomas
Hulshof	Oxley	Thompson (CA)
Hunter	Paul	Thompson (MS)
Hyde	Pence	Thornberry
Isakson	Peterson (MN)	Thune
Isatook	Petri	Tiahrt
Jefferson	Phelps	Tiberi
John	Pombo	Tierney
Johnson (IL)	Pomeroy	Toomey
Johnson, E. B.	Portman	Trafficant
Johnson, Sam	Putnam	Turner
Keller	Radanovich	Udall (CO)
Kennedy (MN)	Ramstad	Udall (NM)
Kerns	Rehberg	Walden
Kingston	Reyes	Walsh
Kirk	Riley	Wamp
Knollenberg	Rodriguez	Watkins (OK)
Koblen	Rogers (MI)	Watts (OK)
LaHood	Rohrabacher	Waxman
LaHood	Ros-Lehtinen	Weldon (FL)
Lampson	Ross	Weller
Largent	Royce	Wicker
Larsen (WA)	Ryan (WI)	Wilson
Latham	Ryun (KS)	Wu
Leach	Sabo	Young (FL)
Lewis (CA)	Schaffer	
Linder		

NOT VOTING—12

Burton	Issa	Serrano
Callahan	Mollohan	Visclosky
Gibbons	Murtha	Wexler
Houghton	Oliver	Young (AK)

□ 2249

Messrs. OTTER, LIPINSKI, DICKS, THOMPSON of Mississippi, KIRK, WAMP, SCHIFF, KINGSTON, DINGELL, FORD, and Ms. EDDIE BERNICE JOHNSON of Texas changed their vote from “aye” to “no.”

Messrs. NEY, BAKER, SAXTON, TAYLOR of North Carolina, WHITFIELD, RUSH, BOYD, Mrs. CLAYTON, Ms. PRYCE of Ohio, Mrs. EMERSON, and Ms. KILPATRICK changed their vote from “no” to “aye.”

So the amendment, as amended, was rejected.

The result of the vote was announced as above recorded.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). Pursuant to clause 6 on rule XVIII, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: amendment No. 15 by Mrs. CLAYTON of North Carolina; amendment No. 11 by Mrs. BONO of California.

AMENDMENT NO. 15 OFFERED BY MRS. CLAYTON

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on the amendment of-

ferred by the gentlewoman from North Carolina (Mrs. CLAYTON) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 235, noes 183, not voting 12, as follows:

[Roll No. 369]

AYES—235

Abercrombie	Gilchrest	Menendez
Ackerman	Gilman	Millender-McDonald
Allen	Goode	Miller, George
Andrews	Gordon	Mink
Baca	Greenwood	Moore
Baird	Grucci	Moran (VA)
Baldacci	Gutierrez	Morella
Baldwin	Hall (OH)	Nadler
Barcia	Harman	Napolitano
Barrett	Hart	Neal
Bartlett	Hastings (FL)	Northup
Bass	Hayworth	Oberstar
Becerra	Herger	Obey
Berkley	Hinchey	Ortiz
Berman	Hobson	Owens
Bilirakis	Hoeffel	Pallone
Blagojevich	Holden	Pascarell
Blumenauer	Holt	Pastor
Boehlert	Honda	Paul
Bonior	Hooley	Payne
Borski	Horn	Pelosi
Boswell	Hoyer	Peterson (PA)
Boucher	Inslee	Pitts
Brady (PA)	Israel	Platts
Brown (FL)	Istook	Pomeroy
Brown (OH)	Jackson (IL)	Price (NC)
Brown (SC)	Jackson-Lee	Quinn
Capito	(TX)	Rahall
Capps	Jefferson	Rangel
Capuano	Jenkins	Regula
Cardin	Johnson (CT)	Reyes
Carson (IN)	Johnson, E. B.	Reynolds
Castle	Jones (OH)	Rivers
Clay	Kanjorski	Roemer
Clayton	Kaptur	Rogers (KY)
Clyburn	Kelly	Rohrabacher
Coble	Kennedy (RI)	Rothman
Condit	Kildee	Roukema
Conyers	Kilpatrick	Royal-Allard
Coyne	Kind (WI)	Royce
Crowley	King (NY)	Rush
Cummings	Kleczka	Sabo
Davis (CA)	Kucinich	Sanchez
Davis (FL)	LaFalce	Sanders
Davis (IL)	Langevin	Sandlin
DeFazio	Lantos	Sawyer
DeGette	Larson (CT)	Saxton
Delahunt	LaTourette	Schakowsky
DeLauro	Lee	Schiff
Deutsch	Levin	Scott
Dicks	Lewis (GA)	Shays
Dingell	Lipinski	Sherman
Doggett	LoBiondo	Sherwood
Dooley	Lofgren	Shuster
Doyle	Lowey	Shuster
Duncan	Luther	Simmons
Ehlers	Maloney (CT)	Slaughter
Ehrlich	Maloney (NY)	Smith (NJ)
Engel	Markey	Smith (WA)
Eshoo	Mascara	Snyder
Etheridge	Matheson	Solis
Farr	Matsui	Spratt
Fattah	McCarthy (NY)	Stark
Ferguson	McCollum	Strickland
Filner	McDermott	Stupak
Foley	McGovern	Sununu
Ford	McHugh	Sweeney
Fossella	McIntyre	Tauscher
Frank	McKinney	Thompson (CA)
Frelinghuysen	McNulty	Thompson (MS)
Frost	Meehan	Thurman
Gekas	Meek (FL)	Tierney
Gephardt	Meeks (NY)	Toomey

Towns Velazquez
 Trafficant Walsh
 Turner Waters
 Udall (CO) Watson (CA)
 Udall (NM) Watt (NC)
 Upton Waxman

NOES—183

Aderholt Gonzalez
 Akin Goodlatte
 Arney Goss
 Bachus Graham
 Baker Granger
 Ballenger Graves
 Barr Green (TX)
 Barton Green (WI)
 Bentsen Gutknecht
 Bereuter Hall (TX)
 Berry Hansen
 Biggert Hastings (WA)
 Bishop Hayes
 Blunt Hefley
 Boehner Hill
 Bonilla Hilleary
 Bono Hilliard
 Boyd Hinojosa
 Brady (TX) Hoekstra
 Bryant Hostettler
 Burr Hulshof
 Buyer Hunter
 Calvert Hyde
 Camp Isakson
 Cannon John
 Cantor Johnson (IL)
 Carson (OK) Johnson, Sam
 Chabot Jones (NC)
 Chambliss Keller
 Clement Kennedy (MN)
 Collins Kerns
 Combest Kingston
 Cooksey Kirk
 Costello Knollenberg
 Cox Kolbe
 Cramer LaHood
 Crane Lampson
 Crenshaw Largent
 Cubin Larsen (WA)
 Culberson Latham
 Cunningham Leach
 Davis, Jo Ann Lewis (CA)
 Davis, Tom Lewis (KY)
 Deal Linder
 DeLay Lucas (KY)
 DeMint Lucas (OK)
 Diaz-Balart Manzullo
 Doolittle McCarthy (MO)
 Dreier McCrery
 Dunn McInnis
 Edwards McKeon
 Emerson Mica
 English Miller (FL)
 Evans Miller, Gary
 Everett Moran (KS)
 Flake Myrick
 Fletcher Nethercutt
 Forbes Ney
 Gallegly Norwood
 Ganske Nussle
 Gillmor Osborne

NOT VOTING—12

Burton Issa
 Callahan Mollohan
 Gibbons Murtha
 Houghton Olver

□ 2259

Mr. CALVERT changed his vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

□ 2300

AMENDMENT NO. 11 OFFERED BY MRS. BONO

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The pending business is the demand for a recorded vote on the amendment offered by the gentlewoman from California (Mrs. BONO) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 296, noes 121, not voting 13, as follows:

[Roll No. 370]

AYES—296

Abercrombie Evans
 Ackerman Everett
 Aderholt Farr
 Allen Patah
 Andrews Ferguson
 Baca Filner
 Bachus Foley
 Baird Forbes
 Baldacci Ford
 Baldwin Fossella
 Barcia Frelinghuysen
 Barr Frost
 Barrett Gallegly
 Bartlett Gekas
 Barton Gephardt
 Becerra Gilman
 Berkley Goode
 Berman Gordon
 Berry Goss
 Bilirakis Graham
 Bishop Green (TX)
 Blagojevich Grucci
 Blumenauer Gutierrez
 Boehlert Hall (OH)
 Bonior Hansen
 Bono Harman
 Borski Hart
 Boucher Hastings (FL)
 Boyd Hastings (WA)
 Brady (PA) Hayworth
 Brown (FL) Hefley
 Brown (OH) Herger
 Brown (SC) Hill
 Bryant Hilleary
 Buyer Hilliard
 Calvert Hinchee
 Camp Hobson
 Capito Hoeffel
 Capps Hoekstra
 Capuano Holden
 Cardin Holt
 Carson (IN) Honda
 Carson (OK) Hooley
 Chabot Horn
 Chambliss Hoyer
 Clay Hunter
 Clayton Hyde
 Clyburn Isakson
 Coble Israel
 Collins Istook
 Condit Jackson (IL)
 Conyers Jackson-Lee
 Cooksey (TX)
 Costello Jefferson
 Cox Jenkins
 Crenshaw John
 Crowley Johnson (CT)
 Cubin Johnson, E. B.
 Cummings Jones (NC)
 Cunningham Jones (OH)
 Davis (CA) Kanjorski
 Davis (FL) Kaptur
 Davis (IL) Kelly
 Davis, Jo Ann Kennedy (RI)
 Deal Kildee
 DeFazio Kilpatrick
 DeGette King (NY)
 Delahunt Kirk
 DeLauro Kleczka
 DeLay Kucinich
 Deutsch LaFalce
 Diaz-Balart LaHood
 Dicks Langevin
 Dingell Larsen (WA)
 Doggett Larson (CT)
 Doyle Lee
 Duncan Levin
 Ehlers Lewis (CA)
 Emerson Lewis (GA)
 Engel Linder
 English Lipinski
 Eshoo LoBiondo

Shows Taylor (NC)
 Simmons Thomas
 Skeen Thompson (CA)
 Skelton Thompson (MS)
 Slaughter Thune
 Smith (NJ) Thurman
 Smith (TX) Tiberi
 Snyder Tierney
 Solis Toomey
 Spratt Towns
 Stark Trafficant
 Stearns Turner
 Strickland Udall (CO)
 Stupak Udall (NM)
 Sweeney Upton
 Tauscher Velazquez
 Tauzin Walden
 Taylor (MS) Wamp

NOES—121

Akin Graves
 Arney Green (WI)
 Baker Greenwood
 Ballenger Gutknecht
 Bass Hall (TX)
 Bentsen Hayes
 Bereuter Hinojosa
 Biggert Hostettler
 Blunt Hulshof
 Boehner Inslee
 Bonilla Johnson (IL)
 Boswell Johnson, Sam
 Brady (TX) Keller
 Burr Kennedy (MN)
 Cannon Kerns
 Cantor Kind (WI)
 Castle Kingston
 Clement Knollenberg
 Combest Kolbe
 Coyne Lampson
 Cramer Lantos
 Crane Largent
 Culberson Latham
 Davis, Tom LaTourette
 DeMint Leach
 Dooley Lewis (KY)
 Doolittle Lucas (KY)
 Dreier Lucas (OK)
 Dunn Manzullo
 Edwards McCarthy (MO)
 Ehrlich McCrery
 Etheridge McGovern
 Flake McIntyre
 Fletcher McKeon
 Frank Moran (KS)
 Ganske Myrick
 Gilchrest Nethercutt
 Gillmor Ney
 Gonzalez Northup
 Goodlatte Nussle
 Granger Ortiz

NOT VOTING—13

Burton Mollohan
 Callahan Murtha
 Gibbons Olver
 Houghton Roukema
 Issa Serrano

□ 2308

Mrs. NAPOLITANO, Mrs. TAUSCHER, and Mrs. KELLY changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT NO. 2 OFFERED BY MR. ACKERMAN

Mr. ACKERMAN. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. ACKERMAN:

At the end of title IX (page 354, after line 16), insert the following new section:

SEC. ____ . UNLAWFUL STOCKYARD PRACTICES INVOLVING NONAMBULATORY LIVE-STOCK.

Title III of the Packers and Stockyards Act, 1921, (7 U.S.C. 201 et seq.) is amended by adding at the end the following:

“SEC. 318. UNLAWFUL STOCKYARD PRACTICES INVOLVING NONAMBULATORY LIVESTOCK.

“(a) DEFINITIONS.—In this section:

“(1) HUMANELY EUTHANIZE.—The term ‘humanely euthanize’ means to kill an animal by mechanical, chemical, or other means that immediately render the animal unconscious, with this state remaining until the animal’s death.

“(2) NONAMBULATORY LIVESTOCK.—The term ‘nonambulatory livestock’ means any livestock that is unable to stand and walk unassisted.

“(b) UNLAWFUL PRACTICES.—

“(1) IN GENERAL.—Except as provided in paragraph (2), it shall be unlawful for any stockyard owner, market agency, or dealer to buy, sell, give, receive, transfer, market, hold, or drag any nonambulatory livestock unless the nonambulatory livestock has been humanely euthanized.

“(2) EXCEPTIONS.—

“(A) NON-GIPSA FARMS.—Paragraph (1) shall not apply to any farm the animal care practices of which are not subject to the authority of the Grain Inspection, Packers, and Stockyards Administration.

“(B) VETERINARY CARE.—Paragraph (1) shall not apply in a case in which nonambulatory livestock receive veterinary care intended to render the livestock ambulatory.

“(c) APPLICATION OF PROHIBITION.—Subsection (b) shall apply beginning one year after the date of the enactment of the Farm Security Act of 2001. By the end of such period, the Secretary shall promulgate regulations to carry out this section.”.

(Mr. ACKERMAN asked and was given permission to revise and extend his remarks.)

Mr. ACKERMAN. Mr. Chairman, I rise today to offer my amendment to prevent the marketing of downed animals.

As I stand here before you, the most horrific problem of animal abuse in the meat industry continues unchecked. A sick cow, unable to stand, is pulled off a truck by a tractor with a chain, then falls 4 feet to the ground at a stockyard. A frail day-old calf is dragged through an auction ring by a rope tied to its back leg while another calf, nearly comatose, is left in a corner dying. These are downed animals. The transport and marketing of these incapacitated animals creates tremendous human health concerns as well as humane concerns.

These animals, known as downers, suffer beyond belief as they are kicked, dragged, and prodded with electric shocks in an effort to move them at auctions and intermediate markets en route to slaughter. They make up nearly one-tenth of 1 percent of the market. And not to euthanize them just because they are of no value when they are dead at marketplace is indeed a sin.

It is practically impossible to move these animals humanely, so they are commonly dragged with chains and pushed around with tractors and fork lifts. In addition to brutal handling, downed animals routinely suffer for days without food, water, or veterinary attention. Livestock markets are not equipped nor can they be expected to provide these incapacitated animals with the intensive care they require, nor do we wish to saddle them with

these costs. The only humane option for nonambulatory livestock at intermediate markets is euthanasia.

My amendment to protect both the public health and the downed animals prohibits marketing of all nonambulatory livestock at intermediate markets, and it requires that incapacitated animals be humanely euthanized at these facilities. This amendment does not apply to activities on farms, and it does not preclude veterinary care. It provides an appropriate remedy to an unnecessary and inexcusable practice.

The problem of downed animals has been addressed by many conscientious livestock organizations who have voluntarily adopted a no-downer policy in an effort to end this inhumane and cruel practice which can also pose a serious threat to our public health. Meat from downed animals has an increased risk for bacterial contamination and other diseases, including neurological afflictions such as mad cow disease. The veterinary services department at the USDA itself, Mr. Chairman, has said that downed animals are the number two risk for mad cow disease. This is not a fringe idea.

Last year, the USDA itself instituted a policy precluding the purchase of beef from downed animals for the national school lunch program because of these safety concerns.

□ 2315

How on God’s Earth can they justify marketing this to the rest of the country, when they say it is unsafe to put in our school lunch program?

In addition to this, the fast food chains are doing the appropriate thing. Chains such as McDonald’s and Burger King and Wendy’s have all banned the use of meat from downed animals in their products. And who else? California, the largest cattle producer in the country, Colorado and Illinois, have already prohibited the entry of downed animals into the food supply. Why just them? All Americans must be protected from this risk.

And who else is in support? This measure is endorsed by the Central Livestock Association, which is composed of 25,000 producers in five Midwestern States alone. It is endorsed by Empire Livestock Marketing, the Georgia Cattlemen’s Association, and the National Pork Producers Council; and the National Cattlemen’s Beef Producer Association have put in their code of ethics that they will not use downers.

And yet, and yet, there are some who kowtow to the few irresponsible folks within the industry in order to protect only one-tenth of 1 percent of the market.

Earlier this year a Zogby America Poll of 1,000 people in our country found that four out of every five opposed the use of downed animals for human food. Yet despite a strong consensus within the livestock industry, the animal welfare movement and 80

percent of consumers that downed animals should not be sent to the stockyards, this practice continues, causing unnecessary animal suffering and an erosion of the public confidence in their food. We need to remedy this atrocity.

I urge all who are concerned about public health, all who are concerned about the humane treatment of animals to support the amendment.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The time of the gentleman from New York (Mr. ACKERMAN) has expired.

(By unanimous consent, Mr. ACKERMAN was allowed to proceed for 30 additional seconds.)

Mr. ACKERMAN. Mr. Chairman, I ask all Members to join in supporting the Ackerman amendment to help bring an end to the horrific abuse of our Nation’s food animals and to protect our Nation’s food supply. I ask that all of us vote in favor of the amendment.

Mrs. MORELLA. Mr. Chairman, I rise in support of the amendment. The hour is late, Mr. Chairman, but I think this is an important amendment; and I rise in strong support of the Ackerman-Houghton downed animal amendment. I want to thank them for bringing this issue to the floor.

This amendment would prohibit the marketing of non-ambulatory livestock, or so-called downed animals, at intermediate markets and would require these sick animals to be humanely euthanized. This amendment is important for two simple reasons: humans should not be exposed to food at risk for contamination, and there absolutely is no excuse for animal cruelty.

Animal cruelty can and should be minimized in our country’s slaughterhouses. Downed animals, unable to walk on their own, are almost impossible to humanely move due to sheer size and weight. Instead, they are chained, pulled, dragged, and prodded with electric shocks.

Current policies do nothing to force handlers to treat sick animals humanely, and instead some of them are even pushed by bulldozers into dead piles, where they eventually succumb to their injuries in unimaginable pain.

Equally important, meat from downed animals is at risk for bacterial contamination. According to a recent Zogby poll, four out of five Americans oppose the use of downed animals for food. Also the USDA has instituted a policy precluding the purchase of beef from downed animals for national school lunch programs because they believe this meat is unsafe for consumption. That should tell us something.

Our Nation must humanely produce meat that is safe for everyone to eat. Due to the obvious animal suffering and the threat to human health that downed animals pose, humane euthanasia is the only reasonable solution. It is civilized to oppose needless animal cruelty and inexcusable to allow it to continue.

Mr. Chairman, I certainly urge my colleagues to join me in supporting the Ackerman-Houghton amendment.

Mr. STENHOLM. Mr. Chairman, I move to strike the last word.

I would like to make a few observations for our colleagues. The Animal Welfare Act already contains provisions that forbid needless intentional abuse of livestock anywhere. Also I want to make my colleagues aware of the concern of the American Veterinary Medical Association regarding the prohibition on holding downer animals could prevent diagnose and treatment of downer animals. Just because an animal is down does not mean necessarily that it cannot get up, provided you give it medication.

Also our veterinarians tell us and USDA tells us that examination of downer livestock at markets and slaughter plants is an important part of our system to monitor for animal diseases such as BSE and tuberculosis. In other words, if we do not give our veterinarians time at livestock markets to examine what is truly wrong with that animal, if you immediately euthanize them, we perhaps may be setting back that which the authors of this amendment intend to happen.

Now, I will not oppose the amendment tonight because, again, we all agree that animals should not be abused. That is already against the law. But I would hope as we pursue this through the conference and we work with the gentleman from New York to make sure that this accomplishes everything that he and those who support the amendment intend, but I would point these possible unintended consequences of this amendment that might need further work as we pursue it through the conference.

Mrs. KELLY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise today to support the amendment by my colleagues from New York to prevent the marketing of downed livestock. On a daily basis, animals so sick that they can barely stand are dragged into the market to be sold to slaughterhouses. That is abusive and torturous, it is bad treatment of these sick and injured animals, it is cruel and it places our food supply at risk.

In response to the fact that meat from downed animals is more likely to be contaminated, the USDA now prohibits the purchase of beef from downed animals into the National School Lunch Program. Major fast food restaurants forbid the use of downed animals in their products. While we can compliment these small measures, we must give the USDA the authority to deal with the downed animal problem.

In order to protect both our animals and our food supply, we need to prevent the marketing of downed livestock. I urge my colleagues to join me in the support of this amendment.

Mr. FARR of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this amendment. Our agricultural policy in the United States has been very strong about humane treatment for animals that are to be used for profit. What this amendment does is address animals that will be slaughtered. These are animals that are in stockyards, that are going to either be auctioned or have been auctioned, and are downed, which means they are animals that have been injured. They tend to be either old dairy cows or male calves born into dairy herds and sold for veal.

I think this amendment continues a policy which this House adopted a few years ago which said when you transport animals to slaughter that they have to be transported in a humane fashion. We have humane slaughter practices. We have humane transportation plants, not only for slaughter, but for every agricultural livestock animal there is, from chickens to rabbits. The whole gambit of transportation is controlled by Federal law and State law as well.

The Zogby poll of U.S. adults found that 79 percent oppose the use of downed animals in human food supply. You have just heard of the prohibitions that we already have in law about using downed animals in certain school lunch programs and so on.

What I want to remind the House is that in all cases these are animals that are being used for a profit, for corporate investment, to make a profit on the product of these animals, and what is being asked here is to adopt the same sound humane practices that we require for every other link in that chain.

I think it is an appropriate amendment for us to address, and I hope the committee will adopt it.

Mr. COMBEST. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I just want to say to the gentleman from New York that I think the committee would be certainly willing to accept the amendment.

I do want to point out, as the gentleman from Texas (Mr. STENHOLM) did, some of the same concerns there are. No one is going to try to justify the inhumane treatment of an animal, but there are a couple of issues that I do think we need to try to make for sure that we address as we are looking through this.

This has been an issue that for some time has obviously been discussed. It may have been the gentleman's bill back in 1996, H.R. 2143, on which Secretary Glickman wrote a letter to the committee in this regard, and, again, just a couple of points. One of the things that I think highlights this is that it says, "This bill may cause some producers of livestock to dispose of sick and diseased animals outside of normal marketing channels. This would increase the risk of these animals being slaughtered for human consumption without appropriate inspec-

tion." Obviously, I think, none of us would want that to occur.

"As well, downed animals are one of the bases of BSE or mad cow disease test regime." We certainly know the implications that this has in other countries, as it has had around the world, and how fortunate we are to be able to keep that out. I would not want us to do something that would in fact increase the chances of not being able to catch those diseases early.

Mr. Chairman, I am sure the gentleman has no interest in any of these unintended consequences, but these are things that have been expressed and looked at over a period of time that we certainly would like to try to make sure we might be able to, as we work through this, even perfect more, without undermining the intent of the gentleman.

Mr. ACKERMAN. Mr. Chairman, will the gentleman yield?

Mr. COMBEST. I yield to the gentleman from New York.

Mr. ACKERMAN. Mr. Chairman, I thank the chairman for his accepting of our amendment. We really appreciate it. I am absolutely delighted to work with the gentleman on those concerns that he has just raised, which are very, very legitimate and are of concern to us to make sure these are ameliorated as it moves forward.

Mr. COMBEST. Mr. Chairman, reclaiming my time, I thank the gentleman and urge passage of the amendment.

Mrs. MALONEY of New York. Mr. Chairman, the practice of marketing downed animals—animals unable to walk because of sickness or illness—is an inhumane and disease-ridden practice. It's cruel to animals. It's bad for people. It's good for nothing.

Many livestock yards pass on the costs and disposal of downed animals to slaughterhouses. Often, the result is torture. Downed animals which cannot move must be prodded and dragged to be transported from a livestock yard to a slaughterhouse. Bacterial infection runs high in downed animals.

The Humane Society reports an elevated risk among downed animals for "Mad Cow Disease" which has been fatal to humans. Since the majority of downed animals are milk cows contamination could be widespread. Unfortunately, the industry's self-imposed regulations against marketing downed animals are not being met.

So we need to legislate uniform industry standards by passing the Ackerman amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New York (Mr. ACKERMAN).

The amendment was agreed to.

AMENDMENT NO. 35 OFFERED BY MS. KAPTUR

Ms. KAPTUR. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 35 offered by Ms. KAPTUR:
At the end of the bill, insert the following:

**TITLE X—BIOFUELS ENERGY
INDEPENDENCE ACT OF 2001**

SEC. 1001. SHORT TITLE.

This title may be cited as the "Biofuels Energy Independence Act of 2001".

SEC. 1002. FINDINGS.

The Congress finds as follows:

(1) Currently the United States annually consumes about 164,000,000,000 gallons of vehicle fuels and 5,600,00,000 gallons of heating oil. In 2000, 52.9 percent of these fuels were imported, yielding a \$109,000,000,000 trade deficit with the rest of the world.

(2) This Act would shift America's dependence away from foreign petroleum as an energy source toward alternative, renewable, domestic agricultural sources.

(3) Strategic Petroleum Reserve policy should encourage domestic production to the greatest extent possible.

(4) 92.2 percent of the Strategic Petroleum Reserve has been purchased from foreign sources: 41.9 percent from Mexico, 24 percent from the United Kingdom, and over 20 percent from OPEC nations.

(5) Strategic Petroleum Reserve policy also should encourage the development of alternatives to the Nation's reliance on petroleum such as biomass fuels.

(6) The benefits of biofuels are as follows:

(A) **ENERGY SECURITY.**—

(i) With agricultural commodity prices reaching record lows and petroleum prices reaching record highs, it is clear that more can and should be done to utilize domestic surpluses of biobased oils to enhance the Nation's energy security.

(ii) Biofuels can be manufactured using existing industrial capacity.

(iii) Biofuels can be used with existing petroleum infrastructure and conventional equipment.

(iv) Biofuels can start to address our dependence on foreign energy sources immediately.

(B) **ECONOMIC SECURITY.**—

(i) With continued dependence upon imported sources of oil, our Nation is strategically vulnerable to disruptions in our oil supply.

(ii) Renewable biofuels domestically produced have the potential for ending this vulnerable dependence on imported oil.

(iii) Increased use of renewable biofuels would result in significant economic benefits to rural and urban areas and would help reduce the trade deficit.

(iv) According to the Department of Agriculture, a sustained annual market of 100,000,000 gallons of biodiesel would result in \$170,000,000 in increased income to farmers.

(v) Farmer-owned biofuels production has already resulted in improved income for farmers, as evidenced by the experience with a State-supported program in Minnesota that has helped to increase prices to corn producers by \$1.00 per bushel.

(C) **ENVIRONMENTAL SECURITY.**—

(i) The use of grain-based ethanol reduces greenhouse gas emissions from 35 to 46 percent compared with conventional gasoline. Biomass ethanol provides an even greater reduction.

(ii) The American Lung Association of Metropolitan Chicago credits ethanol-blended reformulated gasoline with reducing smog-forming emissions by 25 percent since 1990.

(iii) Ethanol reduces tailpipe carbon monoxide emissions by as much as 30 percent.

(iv) Ethanol reduces exhaust volatile organic compounds emissions by 12 percent.

(v) Ethanol reduces toxic emissions by 30 percent.

(vi) Ethanol reduces particulate emissions, especially fine-particulates that pose a health threat to children, senior citizens, and those with respiratory ailments.

(vii) Biodiesel contains no sulfur of aromatics associated with air pollution.

(viii) The use of biodiesel provides a 78.5 percent reduction in CO₂ emissions compared to petroleum diesel and when burned in a conventional engine provides a substantial reduction of unburned hydrocarbons, carbon monoxide, and particulate matter.

Subtitle A—Biofuels Feedstocks Energy Reserve Program

SEC. 1011. ESTABLISHMENT.

The Secretary of Agriculture (in this subtitle referred to as the "Secretary") may establish and administer a reserve of agricultural commodities (known as the "Biofuels Feedstocks Energy Reserve") for the purpose of—

(1) providing feedstocks to support and further the production of energy from biofuels; and

(2) supporting the biofuels energy industry when production is at risk of declining due to reduced feedstocks or significant commodity price increases.

SEC. 1012. PURCHASES.

(a) **IN GENERAL.**—The Secretary may purchase agricultural commodities at commercial rates, subject to subsection (b), in order to establish, maintain, or enhance the Biofuels Feedstocks Energy Reserve when—

(1)(A) the commodities are in abundant supply; and

(B) there is need for adequate carryover stocks to ensure a reliable supply of the commodities to meet the purposes of the reserve; or

(2) it is otherwise necessary to fulfill the needs and purposes of the biofuels energy reserve program.

(b) **LIMITATION.**—The agricultural commodities purchased for the Biofuels Feedstocks Energy Reserve shall be—

(1) of the type and quantity necessary to provide not less than 1-year's utilization for renewable energy purposes; and

(2) in such additional quantities to provide incentives for research and development of new renewable fuels and bio-energy initiatives.

SEC. 1013. RELEASE OF STOCKS.

Whenever the market price of a commodity held in the Biofuels Feedstocks Energy Reserve exceeds 100 percent of the economic cost of producing the commodity (as determined by the Economic Research Service using the best available information, and based on a 3-year moving average), the Secretary shall release stocks of the commodity from the reserve at cost of acquisition, in amounts determined appropriate by the Secretary.

SEC. 1014. STORAGE PAYMENTS.

(a) **IN GENERAL.**—The Secretary shall provide for the storage of agricultural commodities purchased for the Biofuels Feedstocks Energy Reserve by making payments to producers for the storage of the commodities. The payments shall—

(1) be in such amounts, under such conditions, and at such times as the Secretary determines appropriate to encourage producers to participate in the program; and

(2) reflect local, commercial storage rates, subject to appropriate conditions concerning quality management and other factors.

(b) **ANNOUNCEMENT OF PROGRAM.**—

(1) **TIME OF ANNOUNCEMENT.**—The Secretary shall announce the terms and conditions of the storage payments for a crop of a commodity by—

(A) in the case of wheat, December 15 of the year in which the crop of wheat was harvested;

(B) in the case of feed grains, March 15 of the year following the year in which the crop of corn was harvested; and

(C) in the case of other commodities, such dates as may be determined by the Secretary.

(2) **CONTENT OF ANNOUNCEMENT.**—In the announcement, the Secretary shall specify the maximum quantity of a commodity to be stored in the Biofuels Feedstocks Energy Reserve that the Secretary determines appropriate to promote the orderly marketing of the commodity, and to ensure an adequate supply for the production of biofuels.

(c) **RECONCENTRATION.**—The Secretary may, with the concurrence of the owner of a commodity stored under this program, reconcentrate the commodity stored in commercial warehouses at such points as the Secretary considers to be in the public interest, taking into account such factors as transportation and normal marketing patterns. The Secretary shall permit rotation of stocks and facilitate maintenance of quality under regulations that assure that the holding producer or warehouseman shall, at all times, have available for delivery at the designated place of storage both the quantity and quality of the commodity covered by the producer's or warehouseman's commitment.

(d) **MANAGEMENT.**—Whenever a commodity is stored under this section, the Secretary may buy and sell at an equivalent price, allowing for the customary location and grade differentials, substantially equivalent quantities of the commodity in different locations or warehouses to the extent needed to properly handle, rotate, distribute, and locate the commodity that the Commodity Credit Corporation owns or controls. The purchases to offset sales shall be made within 2 market days following the sales. The Secretary shall make a daily list available showing the price, location, and quantity of the transactions.

(e) **REVIEW.**—In announcing the terms and conditions under which storage payments will be made under this section, the Secretary shall review standards concerning the quality of a commodity to be stored in the Biofuels Feedstocks Energy Reserve, and such standards should encourage only quality commodities, as determined by the Secretary. The Secretary shall review inspection, maintenance, and stock rotation requirements and take the necessary steps to maintain the quality of the commodities stored in the reserve.

SEC. 1015. USE OF COMMODITY CREDIT CORPORATION.

The Secretary shall use the Commodity Credit Corporation, to the extent feasible, to carry out this subtitle. To the maximum extent practicable consistent with the effective and efficient administration of this subtitle, the Secretary shall utilize the usual and customary channels, facilities, and arrangements of trade and commerce.

SEC. 1016. REGULATIONS.

Not later than 60 days after November 28, 2001, the Secretary shall issue such regulations as are necessary to carry out this subtitle.

Subtitle B—Biofuels Financial Assistance

SEC. 1021. LOANS AND LOAN GUARANTEES.

(a) **IN GENERAL.**—The Secretary of Agriculture (in this section referred to as the "Secretary") may make and guarantee loans for the production, distribution, development, and storage of biofuels.

(b) **ELIGIBILITY.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), an applicant for a loan or loan guarantee under this section shall be eligible to receive such a loan or loan guarantee if—

(A) the applicant is a farmer, member of an association of farmers, member of a farm cooperative, municipal entity, nonprofit corporation, State, or Territory; and

(B) the applicant is unable to obtain sufficient credit elsewhere to finance the actual

needs of the applicant at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time.

(2) **LOAN GUARANTEE ELIGIBILITY PRECLUDES LOAN ELIGIBILITY.**—An applicant who is eligible for a loan guarantee under this section shall not be eligible for a loan under this section.

(c) **LOAN TERMS.**—

(1) **INTEREST RATE.**—Interest shall be payable on a loan under this section at the rate at which interest is payable on obligations issued by United States for a similar period of time.

(2) **REPAYMENT PERIOD.**—A loan under this section shall be repayable in not less than 5 years and not more than 20 years.

(d) **REVOLVING FUND.**—

(1) **ESTABLISHMENT.**—The Secretary shall establish a revolving fund for the making of loans under this section.

(2) **DEPOSITS.**—The Secretary shall deposit into the revolving fund all amounts received on account of loans made under this section.

(3) **PAYMENTS.**—The Secretary shall make loans under this section, and make payments pursuant to loan guarantees provided under this section, from amounts in the revolving fund.

(e) **REGULATIONS.**—The Secretary may prescribe such regulations as may be necessary to carry out this section.

(f) **LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.**—For the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) of loans and loan guarantees under this section, there are authorized to be appropriated to the revolving fund established under subsection (d) such sums as may be necessary for fiscal years 2002 through 2009.

Subtitle C—Funding Source and Allocations
SEC. 1031. FUNDING FOR CONSERVATION FUNDING.

(a) **REDUCTION IN FIXED DECOUPLED PAYMENTS AND COUNTER-CYCLICAL PAYMENTS.**—Notwithstanding sections 104 and 105, the Secretary of Agriculture (in this subtitle referred to as the Secretary) shall reduce by \$2,000,000,000 the total amount otherwise required to be paid under such sections in each of fiscal years 2002 through 2011, in accordance with this section.

(b) **MAXIMUM TOTAL PAYMENTS BY TYPE AND FISCAL YEAR.**—In making the reductions required by subsection (a), the Secretary shall ensure that—

(1) the total amount paid under section 104 does not exceed—

(A) \$3,425,000,000 in fiscal year 2002; or

(B) \$4,325,000,000 in any of fiscal years 2003 through 2011; and

(2) the total amount paid under section 105 does not exceed—

(A) \$3,332,000,000 in fiscal year 2003;

(B) \$4,494,000,000 in fiscal year 2004;

(C) \$4,148,000,000 in fiscal year 2005;

(D) \$3,974,000,000 in fiscal year 2006;

(E) \$3,701,000,000 in fiscal year 2007;

(F) \$3,222,000,000 in fiscal year 2008;

(G) \$2,596,000,000 in fiscal year 2009;

(H) \$2,057,000,000 in fiscal year 2010; or

(I) \$1,675,000,000 in fiscal year 2011.

MODIFICATION TO AMENDMENT OFFERED BY MS. KAPTUR

Ms. KAPTUR. Mr. Chairman, I ask unanimous consent that section 1031 that is a part of this amendment be replaced with the new version that was given to the desk and to both sides so that we could consider this in full.

The CHAIRMAN pro tempore. The Clerk will report the modification.

The Clerk read as follows:

Modification to amendment offered by Ms. KAPTUR:

Strike section 1031 of the amendment and insert the following:

SEC. 1031. FUNDING FOR CONSERVATION FUNDING.

(a) **REDUCTION IN FIXED DECOUPLED PAYMENTS AND COUNTER-CYCLICAL PAYMENTS.**—Notwithstanding sections 104 and 105, the Secretary of Agriculture (in this subtitle referred to as the Secretary) shall reduce by \$2,000,000,000 the total amount otherwise required to be paid under such sections in fiscal years 2002 through 2011, in accordance with this section.

(b) **MAXIMUM TOTAL PAYMENTS BY TYPE AND FISCAL YEAR.**—In making the reductions required by subsection (a), the Secretary shall ensure that—

(1) the total amount paid under section 104 does not exceed—

(A) \$5,123,000,000 in fiscal year 2002; or

(B) \$5,224,000,000 in any of fiscal years 2003 through 2011; and

(2) the total amount paid under section 105 does not exceed—

(A) \$3,794,000,000 in fiscal year 2003;

(B) \$5,317,000,000 in fiscal year 2004;

(C) \$4,949,000,000 in fiscal year 2005;

(D) \$4,785,000,000 in fiscal year 2006;

(E) \$4,539,000,000 in fiscal year 2007;

(F) \$4,058,000,000 in fiscal year 2008;

(G) \$3,447,000,000 in fiscal year 2009;

(H) \$2,885,000,000 in fiscal year 2010; or

(I) \$2,495,000,000 in fiscal year 2011.

Ms. KAPTUR (during the reading). Mr. Chairman, I ask unanimous consent that the modification be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

The CHAIRMAN pro tempore. Is there objection to the original request of the gentlewoman from Ohio?

There was no objection.

The CHAIRMAN pro tempore. The gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Chairman, I rise to bring attention to a vital national issue, our energy security. America's greatest strategic vulnerability remains our dangerous dependence on foreign fuels.

□ 2330

Imagine, we import over one-half of what it takes to fuel this Nation.

The President's energy plan presented earlier this year gave precious little attention to the viability of renewable biofuels as an answer to our predicament, and it did not offer a single charge directly to our U.S. Department of Agriculture to lead us out of the woods. At a minimum, I would say that is gross negligence.

American agriculture has the enormous capability to break our dependence on imported petroleum, but the bill before us today, with all due respect to the hardworking committee, does not lead us toward the maximization of biofuels and higher value-added production for our farmers.

Forty years ago in this Chamber, President Kennedy made his famous speech challenging our Nation to think

broadly. He set the goal of putting a man on the moon by the end of that decade. I will just read some of his words where he said, "It is time for the Nation to take longer strides, time for great new American enterprise to clearly play a leading role in space achievement which, in many ways," he said, "holds the key to our future on Earth." But he admitted we as a Nation had never made the national decisions or marshaled the national resources required of such leadership. Indeed, on the energy front, we are in the same predicament.

It is time for us to take longer strides and create a new American enterprise. We have the resources and talent on every farm and field in this country; we have talent at the U.S. Department of Agriculture. We have our land grant universities, but we do not have a specified goal. We do not have a time schedule. Our resources are spread around with questionable coordination and, truly, no urgency.

Consider that in 1985 we imported 31 percent of our fuel imports. Today, that is nearly double, nearly 58.5 percent. Our population is growing, our energy demands are growing, our energy dependency on foreign sources is growing.

So what is our answer? What is our plan? How long can we wait? Do not the events of recent weeks remind us of how vulnerable our dependency has made us? In fact, the current recession was directly due initially to the rising cost of petroleum, imported petroleum that has rippled through this marketplace. Have we not heard from farmer after farmer that they would rather get their income from the marketplace rather than from government payments? Are we afraid of the challenge? Are we unable to commit to a goal?

Mr. Chairman, the amendment before us today seeks to do two primary things. It seeks to establish a farmer-held biofuels feedstock energy reserve held by our farmers. By devoting a portion of our abundance to biofuels production, which is renewable and belongs to us, we provide the assurances that a fledgling industry needs to expand. Second, it gives the Secretary of Agriculture the authority to make or guarantee loans for the development, production, distribution, and storage of biofuels.

If all corn, just taking corn, currently being planted was used for ethanol, based on current technology, we would get one-fifth of our vehicle fuel from ethanol, which is all we import. Obviously, as research improves and other cellulose and oil sources from our fields are added, we will get much more, just as we went from Mercury to Gemini to Apollo. So the farmer gets paid by the marketplace instead of government payments.

We have also seen the positive impact of biofuels programs on the farm balance sheet. Last month, I was able to travel to Minnesota, the leading State in our country for ethanol and

biofuels production, to see for myself what a difference the States' program, working hand-in-hand with the private sector and farmers in that State, has made over the last decade. It is truly impressive. Everyone in Minnesota is using ethanol, and farmers have found that they can get a dollar more per bushel because of the increased demand.

Every one of our auto manufacturers produces vehicles that can use these fuels. It is a matter of national security, and I ask for support of the amendment.

The CHAIRMAN pro tempore. The question is on the amendment, as modified, offered by the gentlewoman from Ohio (Ms. KAPTUR).

Ms. KAPTUR. Mr. Chairman, it is my understanding that under the rules, this amendment is not in order and, therefore, I am forced to withdraw the amendment, but in no way do I wish to diminish the importance of the concept that I have been discussing here this evening. I would really beg for the Chair's consideration as time goes on and for the ranking member's consideration of this important issue of renewable biofuels as a critical part of what our Department of Agriculture should be involved in.

Mr. STENHOLM. Mr. Chairman, if the gentlewoman will yield, I would just say to her, as we said to the gentleman from Iowa (Mr. BOSWELL) yesterday on a similar amendment, this is an idea whose time has not yet quite come, but I do not have any doubt that we will be considering this if not in an agriculture bill, in a national energy policy bill. I appreciate the gentlewoman withdrawing it today, because it would have had the same problems of funding that the conservation bill, et cetera, had, so I appreciate her cooperation and I assure her that we will continue to work with her as we have throughout the year in continuing to build on this concept.

The CHAIRMAN pro tempore. Without objection, the amendment is withdrawn.

There was no objection.

Mr. COMBEST. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would just say to the gentlewoman as well that the whole idea of renewable fuels in a wide variety is obviously something that is of great benefit to this country. I think it has also given the emphasis that we are placing today on energy and new energy sources that further development in this is critical. As the gentleman from Texas stated, obviously, one of the big concerns is the readjustment of monies which have gone in in a very balanced way.

The concept the gentlewoman has I think is something that certainly needs further development, and I would agree that I think a major opportunity for this lies and exists as overall energy policies and energy programs are being looked at. Those of us who work on the Committee on Agriculture that

come from a parochial interest also have this from a standpoint that we think there are some wonderful opportunities here for farmers as well. So we will be happy to work with the gentlewoman.

Ms. KAPTUR. Mr. Chairman, if the gentleman will yield, I thank the chairman very much and the ranking member for participating in this discussion.

AMENDMENT NO. 38 OFFERED BY MR. KUCINICH

Mr. KUCINICH. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 38 offered by Mr. KUCINICH: In subsection (g)(2) in the quoted matter in section 747 of the bill (page 302, line 16), strike "one percent" and insert "10 percent".

MODIFICATION TO AMENDMENT NO. 38 OFFERED BY MR. KUCINICH

Mr. KUCINICH. Mr. Chairman, I ask unanimous consent to modify the line that says "insert 10 percent," instead of 10, insert "3 percent."

The CHAIRMAN pro tempore. The Clerk will report the modification.

The Clerk read as follows:

Modification to Amendment No. 38 offered by Mr. KUCINICH:

Strike 10 percent and insert 3 percent.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN pro tempore. The gentleman from Ohio (Mr. KUCINICH) is recognized for 5 minutes on his amendment, as modified.

Mr. KUCINICH. Mr. Chairman, this amendment will increase the amount of environmental risk assessment research.

USDA has funded significant biotechnology research aimed at creating new agricultural products, while almost no research is conducted on the risks of these products. USDA spends over \$100 million a year on biotech commercialization research.

The impacts of biotechnology must be understood so federal regulators can minimize environmental impacts.

H.R. 2646 begins to address this concern by reauthorizing a biotechnology risk assessment program.

However, H.R. 2646 fails to authorize enough funding, which is set at only 1% of the total USDA biotech research budget.

The current USDA biotech risk assessment program gives \$1.8 million per year for research grants. However, many excellent projects remain unfunded.

This amendment expands biotechnology risk assessment research funds from 1% to 3% of the total USDA biotech research budget.

Endorsed by: National Farmers Union, National Farmers Organization, National Family Farm Coalition, Sierra Club, and Environmental Defense.

Mr. Chairman, I yield to the gentleman from Michigan (Mr. SMITH).

Mr. SMITH of Michigan. Mr. Chairman, let me just say that the gentleman from Ohio and I have talked and we both agree that we need to re-

view this kind of biotech research in such a way that it is going to assure food safety, and that we need to have the kind of new research that is going to make sure that not only can we convince the American people, but we are in a better position to convince Europe and Japan and the rest of the world.

In my three hearings that I have held on biotech, we do not want to diminish our review of the normal cross-breeding of the products that we get, but I think it is important that we move ahead with greater assurance. So I support the amendment at 3 percent, and USDA can accommodate some place between 2.5 and 3 percent.

Mr. KUCINICH. Mr. Chairman, reclaiming my time, I want to thank the gentleman and thank the chairman, the gentleman from Texas (Mr. COMBEST), and the ranking member, the gentleman from Texas (Mr. STENHOLM), for their cooperation.

Mr. COMBEST. Mr. Chairman, I move to strike the last word.

I just want to say to the gentleman we appreciate his cooperation in trying to work through this, finding it as something that would be acceptable and that we could try to work with. We have no objections from the committee on this side and we will be happy to accept the amendment. I yield back.

Mr. CHAMBLISS. Mr. Chairman, I move to strike the requisite number of words.

I understand that the chairman is willing to accept this amendment, and that being the case, obviously I go along with my chairman. But as the chairman of the subcommittee that has jurisdiction over biotechnology, I really want to say to the gentleman that we have a program that has been in place since 1990. The program is working very, very well. I do not see any objections particularly to whether it is 1 percent or whether it is anything more or less than that.

The problem I have with this amendment is that all of these grants are very competitive. Our research stations, our research universities need absolutely all the money that they can get to be able to do the research on biotechnology. If we do not do the research on it, the risk assessment is meaningless.

We need the money allocated to research. The risk assessment is a much broader issue. It involves social issues as well as particular research issues. I really have a problem with taking money away from research itself and trying to allocate it to something else that involves a political and a social issue. While we are willing to look at this issue in conference and I understand the gentleman's concern about this, because I have a concern too.

I do not think there is any question but that biotechnology is the future of agriculture. Our folks who are using GMO products today are producing better yields and higher quality products than we have ever seen in the history of agriculture. We need for folks

around the world to accept those products, and we are going to continue to work to make sure that happens. But the way we do that I think is putting more money into research and not so much money into the political aspect of it.

Mr. Chairman, as Chairman of the Subcommittee on Research, I have held a number of hearings on the safety of agricultural biotechnology to both human health and the environment. What I heard from the scientific community was that the risks of biotech plants are no different than the risks of similar plants developed using traditional methods, such as cross-breeding. This has been the conclusion of many reports on agricultural biotechnology by prestigious national and international scientific bodies.

Moreover, Federal regulations require biotech companies bringing new plants to market to perform rigorous field testing to ensure that their products do not harm the environment.

It should also be noted that the U.S. Department of Agriculture gets barely enough research proposals to spend the money already available to the risk assessment program under current law. By increasing mandated funding to 10 percent, this amendment would cut into funding needed for research into new biotech plants that have tremendous potential benefits. Mandated funding at three percent might be accommodated.

This Agricultural bill includes funding for research I promoted to sequence the genomes of plant pathogens, research that could lead to better, more environmentally-friendly ways to attack crop pests that cost farmers and taxpayers hundreds of million of dollars each year. Other research will produce plants that can grow in salty soil, clean up hazardous wastes, produce renewable fuels, and provide enhanced nutrition.

Mr. KUCINICH. Mr. Chairman, if the gentleman will yield, I thank the gentleman from Georgia. I want to assure the gentleman that 97 percent of the research that you support is protected, that this amendment seeks to utilize percent for environmental risk assessment. I want to, since my good friend from Michigan (Mr. SMITH) and I have debated a lot of the issues that the gentleman refers to, from our respective positions, I think there is a point here where we can have some bipartisan agreement. I want to let the gentleman from Georgia know that I am sympathetic to his concerns, and I would appreciate his consideration of this position.

The CHAIRMAN pro tempore. The question is on the amendment, as modified, offered by the gentleman from Ohio (Mr. KUCINICH).

The amendment, as modified, was agreed to.

AMENDMENT NO. 34 OFFERED BY MS. KAPTUR

Ms. KAPTUR. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 34 offered by Ms. KAPTUR:
Page ____, line ____, insert the following new section:

SEC. ____. FAMILY FARMER COOPERATIVE MARKETING.

(a) DEFINITIONS.—

(1) PRODUCER.—Subsection (b) of section 3 of the Agricultural Fair Practices Act of 1967 (7 U.S.C. 2302) is amended—

(A) by inserting “poultryman,” after “dairyman,”; and

(B) by adding at the end the following: “The term includes a person furnishing labor, production management, facilities, or other services for the production of an agricultural product.”

(2) ASSOCIATION OF PRODUCERS.—Subsection (c) of such section is amended by inserting “that engages in the marketing of such agricultural products or of agricultural services described in the second sentence of subsection (b), including associations” before “engaged in”.

(3) ADDITIONAL DEFINITIONS.—Such section is further amended by striking subsection (e) and inserting the following new subsections:

“(e) The term ‘accredited association’ means an association of producers accredited by the Secretary of Agriculture in accordance with section 6.

“(f) The term ‘designated handler’ means a handler that is designated pursuant to section 6.

“(g) The terms ‘bargain’ and ‘bargaining’ mean the performance of the mutual obligation of a handler and an accredited association to meet at reasonable times and for reasonable periods of time for the purpose of negotiating in good faith with respect to the price, terms of sale, compensation for products produced or services rendered under contract, or other provisions relating to the products marketed, or the services rendered, by the members of the accredited association or by the accredited association as agent for the members.”

(b) PROHIBITED PRACTICES.—Section 4 of the Agricultural Fair Practices Act of 1967 (7 U.S.C. 2303) is amended—

(1) in the matter preceding the subsections, by striking “the following practices;” and inserting “any of the following practices:”

(2) in subsection (a), by inserting “interfere with, restrain, or” before “coerce”;

(3) by striking “or” at the end of subsections (a), (b), (c), (d), and (e) and inserting a period; and

(4) by adding at the end the following new subsections:

“(g) To refuse to bargain in good faith with an accredited association, if the handler is designated pursuant to section 6.

“(h) To dominate or interfere with the formation or administration of any association of producers or to contribute financial or other support to an association of producers.”

(c) BARGAINING IN GOOD FAITH.—Section 5 of the Agricultural Fair Practices Act of 1967 (7 U.S.C. 2304) is amended to read as follows:

“SEC. 5. BARGAINING IN GOOD FAITH.

“(a) CLARIFICATION OF OBLIGATION.—The obligation of a designated handler to bargain in good faith shall apply with respect to an accredited association and the products or services for which the accredited association is accredited to bargain. The good-faith bargaining required between a handler and an accredited association does not require either party to agree to a proposal or to make a concession.

“(b) EXTENSION OF SAME TERMS TO ACCREDITED ASSOCIATION.—If a designated handler purchases a product or service from producers under terms more favorable to such producers than the terms negotiated with an accredited association for the same type of product or services, the handler shall offer the same terms to the accredited association. Failure to extend the same terms to the accredited association shall be consid-

ered to be a violation of section 4(g). In comparing terms, the Secretary of Agriculture shall take into consideration (in addition to the stipulated purchase price) any bonuses, premiums, hauling or loading allowances, reimbursement of expenses, or payment for special services of any character which may be paid by the handler, and any sums paid or agreed to be paid by the handler for any other designated purpose than payment of the purchase price.

“(c) MEDIATION AND ARBITRATION.—The Secretary of Agriculture may provide mediation services with respect to bargaining between an accredited association and a designated handler at the request of either the accredited association or the handler. If an impasse in bargaining has occurred (as determined by the Secretary), the Secretary shall provide assistance in proposing and implementing arbitration agreements between the accredited association and the handler. The Secretary may establish a procedure for compulsory and binding arbitration if the Secretary finds that an impasse in bargaining exists and such impasse will result in a serious interruption in the flow of an agricultural product to consumers or will cause substantial economic hardship to producers or handlers involved in the bargaining.”

(d) ACCREDITATION OF ASSOCIATIONS AND DESIGNATION OF HANDLERS.—The Agricultural Fair Practices Act of 1967 is amended—

(1) by redesignating sections 6 and 7 (7 U.S.C. 2305, 2306) as sections 9 and 11, respectively; and

(2) by inserting after section 5 (7 U.S.C. 2304) the following new section:

“SEC. 6. ACCREDITATION OF ASSOCIATIONS AND DESIGNATION OF HANDLERS.

“Not later than ___ after the date of the enactment of this section, the Secretary shall establish procedures—

“(1) to accredit associations seeking to bargain on behalf of producers on an agricultural product or service; and

“(2) for designation of handlers with whom producer associations seek to bargain.”

(e) INVESTIGATIVE POWERS OF SECRETARY.—The Agricultural Fair Practices Act of 1967 (7 U.S.C. 2301 et seq.) is amended by inserting after section 6 (as added by subsection (d)(2)) the following new section:

“SEC. 7. INVESTIGATIVE POWERS OF SECRETARY.

“(a) INVESTIGATIVE POWERS.—The Secretary of Agriculture shall have the following powers to carry out the objectives of this Act, including the conduct of any investigations or hearings:

“(1) The Secretary may require any person to establish and maintain such records, make such reports, and provide such other information as the Secretary may reasonably require.

“(2) The Secretary and any officer or employee of the Department of Agriculture, upon presentation of credentials and a warrant or such other order of a court as may be required by the Constitution—

“(A) shall have a right of entry to, upon, or through any premises in which records required to be maintained under paragraph (1) are located, and

“(B) may at reasonable times have access to and copy any records, which any person is required to maintain or which relate to any matter under investigation or in question.

“(b) TREATMENT OF RECORDS.—

“(1) IN GENERAL.—Except as provided in paragraph (2), any records, reports, or information obtained under this section shall be available to the public.

“(2) EXCEPTION.—Upon a showing satisfactory to the Secretary of Agriculture that records, reports, or information acquired under this section, if made public, would divulge confidential business information, the Secretary shall consider such record, report, or information or particular portion thereof

confidential in accordance with section 1905 of title 18, United States Code, except that the Secretary may disclose such record, report, or information to other officers, employees, or authorized representatives of the United States concerned with carrying out this Act or when relevant in any proceeding under this Act.

“(C) POWERS RELATED TO HEARINGS.—

“(1) ATTENDANCE OF WITNESSES.—In making inspections and investigations under this Act, the Secretary of Agriculture may require the attendance and testimony of witnesses and the production of evidence under oath.

“(2) SUBPOENA POWER.—The Secretary, upon application of any party to a hearing held under section 9, shall forthwith issue to such party subpoenas requiring the attendance and testimony of witnesses or the production of evidence requested in such application. Within five days after the service of a subpoena on any person requiring the production of any evidence in the possession of the person or under the control of the person, the person may petition the Secretary to revoke such subpoena. The Secretary shall revoke such subpoena if in the opinion of the Secretary the evidence whose production is required does not relate to any matter in question, or if such subpoena does not describe with sufficient particularity the evidence whose production is required.

“(3) OATHS AND OTHER MATTERS.—The Secretary, or any officer or employee of the Department of Agriculture designated for such purpose, shall have power to administer oaths, sign and issue subpoenas, examine witnesses, and receive evidence. Witnesses shall be paid the same fees and mileage allowance as are paid witnesses in the courts of the United States.

“(d) FAILURE TO COMPLY.—In the case of any failure or refusal of any person to obey a subpoena or order of the Secretary of Agriculture under this section, any district court of the United States, within the jurisdiction of which such person is found or resides or transacts business, upon the application by the Secretary shall have jurisdiction to issue to such person an order requiring such person to appear to produce evidence if, as, and when so ordered to give testimony relating to the matter under investigation or in question. Any failure to obey such order of the court may be punished by the court as a contempt of court.”

(f) ADMINISTRATIVE PROCEEDINGS TO PREVENT PROHIBITED PRACTICES.—The Agricultural Fair Practices Act of 1967 (7 U.S.C. 2301 et seq.) is amended by inserting after section 7 (as added by subsection (e)) the following new section:

“SEC. 8. ADMINISTRATIVE PROCEEDINGS TO PREVENT PROHIBITED PRACTICES.

“(a) PETITION.—Any person complaining of any violation of section 4 or other provision of this Act may apply to the Secretary of Agriculture by petition, which shall briefly state the facts serving as the basis for the complaint. If, in the opinion of the Secretary, the facts contained in the petition warrant further action, the Secretary shall forward a copy of the petition to the accredited association or handler named in the petition, who shall be called upon to satisfy the complaint, or to answer it in writing, within a reasonable time to be prescribed by the Secretary.

“(b) INVESTIGATION AND COMPLAINT.—If there appears to be, in the opinion of the Secretary, reasonable grounds for investigating a complaint made under subsection (a), the Secretary of Agriculture shall investigate such complaint or notification. In the opinion of the Secretary, if the investigation substantiates the existence of a violation of section 4 or other provision of this Act, the

Secretary may cause a complaint to be issued. The Secretary shall have the complaint served by registered mail or certified mail or otherwise on the person concerned and afford such person an opportunity for a hearing thereon before a duly authorized examiner of the Secretary in any place in which the subject of the complaint is engaged in business.

“(c) HEARING.—The person complained of shall have the right to file an answer to the original and any amended complaint and to appear in person or otherwise and give testimony. The person who filed the charge shall also have the right to appear in person or otherwise and give testimony. Any such proceeding shall, as far as practicable, be conducted in accordance with the rules of evidence and the rules of civil procedure applicable in the district courts of the United States.

“(d) ORDERS.—If, upon a preponderance of the evidence, the Secretary of Agriculture is of the opinion that the person subject to the complaint has violated section 4 or other provision of this Act, the Secretary shall issue an order containing the Secretary's findings of fact and requiring the person to cease and desist from such violation. The Secretary may order such further affirmative action, including an award of damages to compensate the person filing the petition for the damages sustained, as will effectuate the policies of this Act and make the person filing the petition whole.

“(e) COMPLAINTS INSTITUTED BY SECRETARY.—The Secretary of Agriculture may at any time institute an investigation under subsection (b) if there appears to be, in the opinion of the Secretary, reasonable grounds for the investigation and the matter to be investigated is such that a petition is authorized to be made to the Secretary. The Secretary shall have the same power and authority to proceed with any investigation instituted under this subsection as though a petition had been filed under subsection (a), including the power to make and enforce any order.

“(f) JUDICIAL REVIEW.—

“(1) OBTAINING REVIEW.—Any person aggrieved by a final order of the Secretary of Agriculture issued under subsection (d) may obtain review of such order in the United States Court of Appeals for the District of Columbia by submitting to such court within 30 days from the date of such order a written petition praying that such order be modified or set aside.

“(2) TREATMENT OF FINDINGS.—The findings of the Secretary with respect to questions of fact, if supported by substantial evidence on the record, shall be conclusive.

“(3) EFFECT OF FAILURE TO SEEK TIMELY REVIEW.—If no petition for review, as provided in paragraph (1), is filed within 30 days after service of the Secretary's order, the order shall not be subject to review in any civil or criminal proceeding for enforcement, and the findings of fact and order of the Secretary shall be conclusive in connection with any petition for enforcement which is filed by the Secretary after the expiration of such period. In any such case, the clerk of the court, unless otherwise ordered by the court, shall forthwith enter a decree enforcing the order and shall transmit a copy of such decree to the Secretary and the person named in the complaint.

“(4) EFFECT ON ORDERS OF THE SECRETARY.—The commencement of proceedings under this section shall not operate as a stay of an order of the Secretary under subsection (d), unless specifically ordered by the court.”

(g) PREEMPTION.—The Agricultural Fair Practices Act of 1967 (7 U.S.C. 2301 et seq.) is amended by inserting after section 9 (as re-

designated by subsection (d)(1)) the following new section:

“SEC. 10. PREEMPTION.

“This Act shall not invalidate the provisions of any existing or future State law dealing with the same subjects as this Act, except that such State law may not permit any action that is prohibited by this Act. This Act shall not deprive the proper State courts of jurisdiction under State laws dealing with the same subjects as this Act.”

Ms. KAPTUR. Mr. Chairman, this amendment is called the Family Farmer Cooperative Marketing Act of 2001.

For too long now, farmers in our country have been losing power in the marketplace, many times not even knowing it. Tens of thousands of family farmers produce commodities and provide services under contract arrangements with processing firms or handlers. Commodities currently produced under contract include fruits and vegetables, turkeys, chickens, hogs, popcorn, milk, and beef; and the list is likely to continue to increase. We need a fair balance of market power between the processors and the producers. That is why some States have already taken their own action and the Agricultural Marketing Service of our Department of Agriculture considers contracting and agriculture one of the most important issues of our day.

Our amendment would strengthen the Agriculture Fair Practices Act of 1967 in the following way: it would require the U.S. Secretary of Agriculture to establish a system of accreditation for voluntary, cooperative associations of agricultural producers. It would provide for good faith bargaining between processors or handlers and cooperative associations of agricultural producers. It would allow for mediation by the U.S. Department of Agriculture to resolve impasses in bargaining, and it would provide investigative and enforcement authority for the Secretary of Agriculture.

This amendment is very similar to H.R. 230 which I introduced earlier this year. The campaign for contract agriculture reform has said this bill enhances the power of producers and their cooperatives to stabilize farm income.

□ 2345

The bill receives specific support from the National Farmers Organization and the National Pork Producers Council. The American Farm Bureau Federation also passed policy resolutions on the importance of contracting in agriculture. I also had submitted for the RECORD another amendment dealing with the need to provide the Department of Agriculture with the same authority over the poultry industry in this Nation that it already has over the beef and pork industries.

There is great concentration in all of these sectors. Former Grain Inspection and Packers and Stockyard Administrator James Baker testified before our Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related

Agencies, that this equivalent authority is most definitely needed to make sure our poultry producers are afforded the same safeguards as are available for beef and pork.

Mr. Chairman, at this time if the gentleman from Texas (Mr. STENHOLM) would engage, I understand that the committee may be willing to hold hearings on the concerns that many of us have about the needs for producers to have their rights to fairly and openly negotiate contracts with processors. If the gentleman is willing to commit that the Committee on Agriculture will hold a hearing on this issue and GIPSA's authority on poultry in the days to come, then I am prepared to withdraw my amendment with that assurance.

Mr. STENHOLM. Mr. Chairman, if the gentlewoman will yield, let me say that the gentlewoman is correct. I am willing, based on the assurances of my chairman to assure my colleague that the committee will hold a hearing on these topics as our schedule permits.

Ms. KAPTUR. Mr. Chairman, I thank the gentleman for his assurance, and also the chairman for his interest in this issue.

Mr. COMBEST. Mr. Chairman, will the gentlewoman yield?

Ms. KAPTUR. I yield to the gentleman from Texas.

Mr. COMBEST. Mr. Chairman, I want to further emphasize what the gentleman from Texas (Mr. COMBEST) said. We have some exchange of letters in this regard and we appreciate the gentlewoman's cooperation and we look forward to working with her on this matter.

Ms. KAPTUR. Mr. Chairman, I ask unanimous consent to withdraw the amendment in anticipation of those hearings.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

The CHAIRMAN pro tempore. Are there any further amendments?

Mr. CONDIT. Mr. Chairman, I rise in support of this legislation. The Agriculture Committee has met the challenge of drafting a comprehensive farm bill that balances many competing priorities. For the first time, the Committee was confronted with the needs of a sector not historically represented in past farm bills: specialty crops, the mainstay of California agriculture.

Although California produces over 200 different crops, many of these crops such as fruits and vegetables have not been highlighted in previous farm bills because these industries were relatively healthy. Unfortunately, specialty crops are hurting more now than ever because of cheap imports, labor shortages, high input cost such as pesticides, water, electricity, gasoline and bearing the burden of state and federal regulations and trade agreements that have not always panned out for specialty crops.

H.R. 2646 benefits the fruit and vegetable industries while also positively impacting conservation, trade, nutrition assistance, rural de-

velopment, and research. Most importantly, it maintains a very important prohibition of planting fruits and vegetables on contract acres. This prohibition is key to ensuring the future economic stability within the specialty crop sector.

Increasing Market Access Program funds by \$110 million is also a major achievement of this bill, since fruits and vegetables benefit the most from this program. Additionally, USDA Section 32 funds are boosted by \$200 million. This increase enables USDA to purchase additional wholesome and nutritional products, such as peaches, tomatoes, apricots, pears and a variety of other specialty crop commodities for school lunch programs and other federal feeding programs. A significant increase in the Environmental Quality Incentives Program funding includes targeted spending for water conservation assistance. The Technical Assistance Specialty Crop Fund in created to help remove or assist with sanitary/phytosanitary trade barriers and increase exports of U.S. specialty crops within the global marketplace. Streamlining APHIS' procedures enables USDA to respond quickly and more effectively to plant and animal and pest and disease emergencies. These are only a few of the many provisions that address specialty crop concerns.

The growing and unique needs of fruit and vegetable industries are well represented in this legislation which is intended to meet the needs of agriculture for the next 10 years. As the legislative process continues, I look forward to continuing my work with my colleagues to develop new ways to assist our farmers who, after all, work so hard to maintain the safest and most reliable food supply in the world. I urge my colleagues to support this bill.

Mr. BUYER. Mr. Chairman, I rise in support of the Farm Security Act. This legislation is the product of over two years of preparation by the House Agriculture Committee in consultation with agriculture and environmental groups, and most importantly, American Farmers.

I had an opportunity to testify at one of the many field hearings the Committee held. During my testimony, I told the Committee that the government's approach to agriculture should focus on the farmer. I spoke of the importance of maintaining a market approach, encouraging productivity, reducing regulatory costs, and managing risk. I also discussed the importance of emphasizing cooperation and incentives instead of punitive measures in dealing with conservation. And I addressed the need to expand markets through fair trade and the development of new uses through research and development initiatives.

But it was the input of farmers that I believe was of most value to the Committee in formulating the farm bill. I believe the Agriculture Committee did a good job of incorporating the input of farmers into the bill. The Committee worked to preserve the market-base philosophy of Freedom to Farm, while strengthening the safety net for farmers by replacing the unpredictable ad hoc system of emergency payments with a system of counter cyclical payments that farmers can rely upon.

The bill also provides a balanced approach between boosting commodity programs and supporting the important goal of conservation. With an increase of 80 percent over baseline spending for conservation programs, this truly is the most environmentally sensitive farm bill ever produced.

Mr. Chairman, the horrible terrorist attacks of September 11th have focused the nation's attention on the need to shore up our national security. While doing so, it is important to remember that America's food supply is a vital national security issue. By passing this bill, this Congress shows that we realize this fact, and we demonstrate that we truly speak with one voice when it comes to acting in the best interests of the American people.

Mr. CONYERS. Mr. Chairman, since the New Deal, the federal government has fostered the equitable development of rural areas with farm credit and other programs that are the foundation of the small farm sector that is struggling to hold on today. Direct farm operating and ownership loans are an integral part of the historic and ongoing mission of the USDA and much needed resource for all producers, not just minority, socially disadvantaged, and beginning farmers. The viability of America's small farms rests heavily on these loans, and the ability of the federal government to assist them in times of crisis.

Our agreement with the majority preserves this traditional role of the USDA as the lender of last resort, keeping open entry to agriculture for a new generation of farmers by restoring the direct lending role that would otherwise be ended in 5 years, while maintaining our support of current farmers and the tough economic situation they are continually faced with.

We have also agreed with the majority to address our concerns with loan participation data collection and our concerns with the transparency and accountability in Farm Service Agency County Committee elections.

Target Participation Rates for USDA loans would help to determine the rates of participation for women and minority farmers in relation to participation of other farmers in the same county. This information would then be made available to the public via the USDA web site.

These Target Participation Rates, which the majority has so generously agreed to hold a Full Agriculture Committee hearing on, are needed as minority farmers have shown that they have repeatedly been discriminated against by the USDA and by Farm Service Agency County Committee members. The Congressional Research Service reports "the largest USDA loans (top 1 percent) went to corporations (65 percent) and white male farmers (25 percent) loans to black males averaged \$4,000 (or 25 percent) less than those loans given to white males; 97 percent of disaster payments went to white farmers; less than 1 percent went to black farmers."

The majority has also agreed that in our Full Agriculture Committee hearing we will discuss the election procedures for Farm Service Agency County Committees. These committees have been the source for much of the discrimination that minority farmers have suffered. These committee elections are not by secret ballot, ballots are opened and tabulated as they come in. The lack of a secret ballot has affected minority representation on these committees, which in turn has affected how minority farmers have received loans. To ensure that these County Committees operate equitably everywhere, we need the majority to understand the benefit of fair elections, of opening and tabulating the results of these elections in a public forum, and that the information on election participation data be made available to the farmers and the public. Hopefully in our hearing we will be able to convince

them of the pressing need for change in these areas. I want to commend the majority for our bi-partisan approach to this issue and want to thank the chairman for the time.

I also want to thank the over 70 organizations that were pushing for passage of this Farm bill, especially our friends at the Rural Coalition and the National Farmers Union, and want to encourage them to keep up their hard work.

Mr. ABERCROMBIE. Mr. Chairman, I am strongly opposed to the amendment altering the provisions of the Agriculture Committee's bill.

Make no mistake about it. The purpose of this amendment to kill the sugar program, similar to the unsuccessful attempts in the past.

The amendment will keep the current program, which has devastated domestic sugar. Today, there are only two commercial sugar plantations left in Hawaii, the result of the 1996 Act which has crippled the industry and left thousands of Americans unemployed, many of them in Hawaii. What this nation needs now is more American jobs, not fewer.

In addition it would cut the existing supports by \$.03 a pound. A rough calculation indicates such a move would transfer \$500.0 million from the domestic sugar producers to the food processors.

While sugar prices have plummeted, food prices have risen. The wholesale price of sugar has dropped 29 percent since the 1996 law while sweetened product prices have risen 4 percent-14 percent. It is not difficult to determine that consumers will not see one dime of that \$500.0 million. It will go straight into the pockets of the food manufacturers and processors who have soaked up all the additional revenue resulting from staggeringly low sugar prices since the 1996 Act.

Not only will the food processors unfairly benefit, but more foreign-produced sugar will pour into the country. My colleagues, in numerous cases, that imported sugar will certainly be produced by child labor and with no environmental protections.

How on earth are we helping either our own country or the rest of the world by adopting this amendment?

We've heard reports of candy manufacturers moving to Mexico. That is their prerogative, as much as I disagree with their abandoning America. The distortion that has been perpetuated, however, is that it is because of domestic sugar prices. Nothing could be further from the truth. Domestic sugar prices in Mexico have been consistently higher in Mexico than in the U.S. The reason they and other manufacturers have moved to Mexico is that labor costs are far lower and environmental protections are unenforced and ignored.

The Mexican government, and other foreign producers, then dump production in excess of their domestic consumption, regardless of their domestic price, on the world market for whatever price they can get. That is called the "world price" of sugar. In reality, it is the dump price, and that is the price at which the supporters of the amendment want to purchase sugar.

My colleagues, this amendment is strictly about money. It is about whether money will be paid to American workers for an American product produced with environmental protections and labor standards or whether it goes directly to the food processors and manufac-

urers to increase their profits regardless of the consequences domestically or internationally.

The House Agriculture Committee has developed a fair, rational and effective way to keep this industry producing an American product by American workers. I urge you in the strongest possible terms to reject this cynical, ill-conceived attack on American sugar producers and on hard-working people.

Mr. HYDE. Mr. Chairman, I rise in support of H.R. 2646, the Farm Security Act of 2001, which authorizes domestic and international agricultural programs that support American farmers and promotes American agricultural products throughout the world. It is important for Congress to support America's family farmers, agricultural industries, commodity packers and shippers, and the millions of Americans who benefit from the multibillion dollar agriculture industry that is the bread basket for the world.

I wish to commend Chairman COMBEST for his leadership in crafting the Farm Security Act and for ensuring that the many complex facets of American agriculture policy are adequately addressed.

I am especially pleased that the bi-partisan Farm Security Act does more than ever to promote international relief efforts through the Food for Progress and Food for Peace programs and also makes necessary reforms for these vitally important feeding programs. Indeed, these programs provide much needed food for the world's poor and starving, and are also coupled with sustainable development programs that teach the poor how to farm and increase food production.

Title III of H.R. 2646, also authorizes the McGovern-Dole International Food for Education Initiative that provides school lunches for needy boys and girls that attend school throughout the developing world. This is a noble endeavor that I enthusiastically endorse.

I am pleased that many farmers, producers, packers and shippers as well not-for-profits, including Catholic Relief Services, support H.R. 2646.

I am, however, mindful of the concerns voiced by the President regarding the cost of some of the domestic agricultural programs authorized by H.R. 2646, and share his view that improvements, including the cost of some programs, require additional review. Therefore, it is my goal to have the President's concerns addressed at a House-Senate Conference that reconciles differences between H.R. 2646 and the companion measure of this bill that will be considered by the Senate. I also believe that a shorter authorization period is in the national interest and hope that it will be agreed to during the House-Senate Conference on the bill.

Mr. Chairman, while I agree with the President that H.R. 2646 is not a perfect bill and will require modifications in order for the President to sign a final measure and have it enacted into law, I believe that H.R. 2646 serves as a good legislative vehicle to negotiate a bi-partisan agreement in Congress that will address many of the President's understandable objections. Therefore, with these caveats, I intend to support H.R. 2646.

Mr. WAXMAN. Mr. Chairman, I rise in opposition to section 762(c) of this legislation.

Methyl bromide is a powerful ozone depleting substance. Releasing methyl bromide into the environment degrades the Earth's protective stratospheric ozone layer, increasing

the risks of skin cancer and cataracts. As a result, the United States has joined with the international community to phase-out methyl bromide by 2005 with only limited exceptions.

Unfortunately, section 762(c) of the "Farm Security Act" could be interpreted to grant the Secretary of Agriculture the authority to allow continued use of methyl bromide even if the use is not in conformity with our international commitments under the Montreal Protocol. The provisions may well circumvent or override regulations issued under the Clean Air Act and the Montreal Protocol.

This language could shift EPA's traditional authority to implement the Protocol to the Department of Agriculture, notwithstanding the fact that Congress affirmed EPA's primacy on this issue as recently as 1998.

Additionally, the provision waive compliance with the Administrative Procedures Act, the Department of Agriculture's policy on public participation, and the Paperwork Reduction Act. These provisions could significantly undermine our efforts to protect the stratospheric ozone layer as well as the nation's credibility in international meetings.

These provisions are strongly opposed by the environmental community, including the following groups: American Rivers, Friends of the Earth, Greenpeace, League of Conservation Voters, National Audubon Society, National Environmental Trust, National Parks Conservation Association, Natural Resources Defense Council, Physicians for Social Responsibility, 20/20 Vision.

Mr. Chairman, we should strike these potentially destructive provisions. I urge all members to support removing these provisions as this bill proceeds through the legislative process.

Mr. COMBEST. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. CHAMBLISS) having assumed the chair, Mr. HASTINGS of Washington, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2646) to provide for the continuation of agricultural programs through fiscal year 2011, had come to no resolution thereon.

FOOD INSPECTION SYSTEM

(Mr. SMITH of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include therein extraneous material.)

Mr. SMITH of Michigan. Madam Speaker, we took up the agricultural bill yesterday. We are going to do that again today. I think one area that we might want to reconsider looking at once this gets to conference or maybe even amendments today is an issue that relates to terrorism, and that is, our potential worst problem that we have in this country is the food inspection system.

Tommy Thompson reports that they have 750 agents looking at 130 points of entry, 55,000 places around America. Agriculture has thousands of inspectors compared to their 750. I think it is