

Public Law 100-387
100th Congress

An Act

Aug. 11, 1988

[H.R. 5015]

Disaster
Assistance Act
of 1988.
7 USC 1421 note.

To provide drought assistance to agricultural producers, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Disaster Assistance Act of 1988".

TABLE OF CONTENTS

TITLE I—EMERGENCY LIVESTOCK ASSISTANCE

- Sec. 101. Emergency feed and related assistance.
- Sec. 102. Assistance for dairy farmers.
- Sec. 103. Emergency forage program.

TITLE II—EMERGENCY CROP LOSS ASSISTANCE

Subtitle A—Annual Crops

- Sec. 201. Payments to program participants for target price commodities.
- Sec. 202. Payments to program nonparticipants for target price commodities.
- Sec. 203. Peanuts, sugar, and tobacco.
- Sec. 204. Soybeans and nonprogram crops.
- Sec. 205. Crop quality reduction disaster payments.
- Sec. 206. Effect of Federal crop insurance payments.
- Sec. 207. Crop insurance coverage for the 1989 crops.
- Sec. 208. Dry edible beans; communication and education.
- Sec. 209. Transfer of funds.
- Sec. 210. Crops harvested for forage uses.
- Sec. 211. Payment limitations.
- Sec. 212. De minimus yields.

Subtitle B—Forest Crops

- Sec. 221. Eligibility.
- Sec. 222. Assistance.
- Sec. 223. Limitation on assistance.
- Sec. 224. Definition.
- Sec. 225. Duplicative payments.

Subtitle C—Administrative Provisions

- Sec. 231. Ineligibility.
- Sec. 232. Timing and manner of assistance.
- Sec. 233. Use of Commodity Credit Corporation.
- Sec. 234. Regulations.

Subtitle D—Sense of Congress

- Sec. 241. Purposes of disaster payments.

TITLE III—OTHER EMERGENCY PROVISIONS

Subtitle A—Commodity Stock Adjustment

- Sec. 301. Soybeans, sunflowers, and cottonseed and sunflower seed oil.
- Sec. 302. Oats.
- Sec. 303. Producer reserve program for wheat and feed grains.
- Sec. 304. Tobacco and peanuts.

Subtitle B—Disaster Credit and Forbearance

- Sec. 311. Emergency loans.
- Sec. 312. 1989 farm operating loans.
- Sec. 313. Forbearance and restructuring for farm loans.

Subtitle C—Conservation Assistance

- Sec. 321. New conservation measures.
 Sec. 322. Conservation reserve enhancement programs.

Subtitle D—Rural Business

- Sec. 331. Disaster assistance for rural business enterprises.
 Sec. 332. Sale of corn to ethanol producers.
 Sec. 333. Survey of agribusiness.
 Sec. 334. Forward contracting report.
 Sec. 335. Rural economic development response to the drought.

Subtitle E—Agricultural Exports

- Sec. 341. Sense of Congress—agricultural exports.

Subtitle F—Food Prices

- Sec. 351. Sense of Congress—food prices.
 Sec. 352. Study of effect of drought on food prices.

TITLE IV—WATER-RELATED ASSISTANCE

Subtitle A—Water Management for Rural Areas

- Sec. 401. Water management for rural areas.

Subtitle B—Emergency Drought Authority

PART 1—RECLAMATION STATES DROUGHT ASSISTANCE

- Sec. 411. Short title.
 Sec. 412. Assistance during drought.
 Sec. 413. Availability of water on a temporary basis.
 Sec. 414. Emergency loan program.
 Sec. 415. Interagency coordination.
 Sec. 416. Report.
 Sec. 417. Carryover storage and water, New Melones Unit, Central Valley project, California.
 Sec. 418. Initiation and termination of emergency drought program.

PART 2—WATER PROJECT

- Sec. 421. Central Valley project water releases.

PART 3—AUTHORIZATION AND SAVINGS CLAUSE

- Sec. 431. Authorization of appropriations.
 Sec. 432. Savings clause.

TITLE V—MIGRANT OR SEASONAL FARMWORKER ASSISTANCE

- Sec. 501. Emergency assistance payments to migrant farmworker households.
 Sec. 502. Prorating benefits of migrant or seasonal farmworker households.
 Sec. 503. Assistance to low-income agricultural workers.

**TITLE I—EMERGENCY LIVESTOCK
ASSISTANCE**

SEC. 101. EMERGENCY FEED AND RELATED ASSISTANCE.

(a) **IN GENERAL.**—The Agricultural Act of 1949 is amended by adding at the end thereof the following new title:

“**TITLE VI—EMERGENCY LIVESTOCK FEED ASSISTANCE
ACT OF 1988**

“**SHORT TITLE**

Emergency
Livestock Feed
Assistance Act
of 1988.

“**SEC. 601.** This title may be cited as the ‘Emergency Livestock Feed Assistance Act of 1988’.” 7 USC 1421 note.

"DEFINITIONS

7 USC 1471.

"SEC. 602. As used in this title:

"(1) The term 'livestock producer' means—

"(A) a person that is actively engaged in farming and that receives a substantial amount of total income from the production of grain or livestock, as determined by the Secretary, that is—

"(i) an established producer or husbander of livestock or a dairy producer who is a citizen of, or legal resident alien in, the United States; or

"(ii) a farm cooperative, private domestic corporation, partnership, or joint operation in which a majority interest is held by members, stockholders, or partners who are citizens of, or legal resident aliens in, the United States, if such cooperative, corporation, partnership, or joint operation is engaged in livestock production or husbandry, or dairy production; or

"(B) Any of the following entities that is actively engaged in livestock production or husbandry, or dairy production—

"(i) any Indian tribe (as defined in section 4(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450(b)));

"(ii) any Indian organization or entity chartered under the Act of June 18, 1934 (48 Stat. 984, chapter 576; 25 U.S.C. 461 et seq.), commonly known as the 'Indian Reorganization Act';

"(iii) any tribal organization (as defined in section 4(c) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(c))); or

"(iv) any economic enterprise (as defined in section 3(e) of the Indian Financing Act of 1974 (25 U.S.C. 1452(e)));

"(2) The term 'livestock' means cattle, sheep, goats, swine, poultry (including egg-producing poultry), equine animals used for food or in the production of food, fish used for food, and other animals designated by the Secretary (at the Secretary's sole discretion) that—

"(A) are part of a foundation herd (including producing dairy cattle) or offspring; or

"(B) are purchased as part of a normal operation and not to obtain additional benefits under this title.

"(3) The term 'State' means any State of the United States, the Commonwealth of Puerto Rico, the Virgin Islands, or Guam.

"(4) The term 'feed', for the purposes of emergency feed assistance, means any type of feed (including feed grain, oilseed meal, premix or mixed feed, liquid or dry supplemental feed, roughage, pasture, or forage) that—

"(A) best suits the livestock producer's operation; and

"(B) is consistent with acceptable feed practices.

"(5) The term 'area' includes any Indian reservation (as defined in section 335(e)(1)(D)(ii) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985(e)(1)(D)(ii))).

"EMERGENCY LIVESTOCK ASSISTANCE

"SEC. 603. (a) The Secretary shall provide emergency feed assistance under this title for the preservation and maintenance of livestock in any State or area of a State where, because of disease, insect infestation, flood, drought, fire, hurricane, earthquake, storm, hot weather, or other natural disaster, the Secretary determines that a livestock emergency exists.

7 USC 1471a.

"(b)(1) The Secretary shall provide emergency feed assistance under this title for the preservation and maintenance of livestock, to livestock producers that—

"(A) conduct farming, ranching, or aquaculture operations in any county contiguous to a county where the Secretary has determined, under subsection (a), that a livestock emergency exists, and

"(B) are otherwise eligible for assistance under this title.

"(2) The Secretary shall accept applications for assistance under this subsection from producers that are affected by the livestock emergency at any time during the eight-month period beginning on the date on which the Secretary determines that such emergency exists in the other county.

"DETERMINATION OF NEED FOR ASSISTANCE

"SEC. 604. (a)(1) Whenever the Governor of a State determines that a livestock emergency due to a natural disaster exists in the State, or a county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590(b)) determines that such an emergency exists in the county, the Governor or county committee may submit a request for a determination by the Secretary of a livestock emergency in such State or county and for emergency livestock feed assistance under this title.

State and local
governments.
7 USC 1471b.

"(2) The request of a Governor or county committee for a livestock emergency determination and for emergency livestock feed assistance shall include, to the extent feasible, recommendations to the Secretary of those options that will most fully use feed available through local sources.

"(b) The Secretary may consider a State, county, or area in a State for a livestock emergency determination and emergency livestock feed assistance under this title whether or not a request for assistance is submitted, as described in subsection (a).

"(c) The Secretary shall act on requests for determinations under subsection (a) and make final determinations on whether a livestock emergency exists in any State, county, or area, under regulations that ensure thorough and prompt action (not later than 30 days after receipt of any such request) and provide for appropriate notification procedures.

"(d) Notwithstanding the preceding provisions of this section, any State, county, or area determined eligible, due to drought or related conditions in 1988, for the emergency feed program or emergency feed assistance program conducted prior to the effective date of this title shall continue to be eligible for such programs and may be eligible for other programs under this title for such drought or related condition. As soon as practicable after the effective date of this title, the Secretary shall determine whether any of the programs described in section 606, other than the emergency feed program under section 606(a)(4) and the emergency feed assistance

program under section 606(a)(2), or in section 607 should be made available in such State, county, or area. If the Secretary makes such determination, the Secretary shall make such programs immediately available to livestock producers in the State, county, or area.

“ELIGIBLE PRODUCERS

7 USC 1471c.

“SEC. 605. (a)(1) If the Secretary determines that a livestock emergency exists in a State, county, or area, qualifying livestock producers located in such State, county, or area, or in a contiguous county as provided for in section 603(b), shall be eligible (under application procedures established by the Secretary) for emergency feed assistance under this title in accordance with this subsection.

“(2) For the purposes of this subsection, a ‘qualifying livestock producer’ is a livestock producer who has suffered a substantial loss in feed normally produced on the farm for such producer’s livestock as a result of the livestock emergency and, as a result, does not have sufficient feed that has adequate nutritive value and is suitable for each of such producer’s particular types of livestock (as of the date of the request, or initiation of consideration, for a determination of a livestock emergency under section 604) for the estimated duration of the emergency.

“(3) Each qualifying livestock producer shall be eligible for emergency feed assistance under the programs specified in section 606(a) that is made available where the producer is located in quantities sufficient to meet such feed deficiency with respect to the producer’s livestock normally fed with feed produced by the producer.

“(b) Each livestock producer in such State, county, or area, or in a contiguous county as provided for in section 603(b), regardless of whether the producer qualifies for assistance under subsection (a), shall be eligible for emergency assistance under the programs specified in section 607 that are made available where the producer is located.

“(c) Any livestock producer, located in a county or area in which benefits under the emergency feed program or the emergency feed assistance program were made available due to the drought or related condition in 1988 prior to the effective date of this title, who qualifies for assistance under such pre-existing programs shall be eligible for assistance for such drought or related conditions as prescribed in subsection (a) or, at the producer’s option, for assistance under such pre-existing programs.

“ASSISTANCE PROGRAMS

7 USC 1471d.

“SEC. 606. (a) In accordance with section 605(a), the Secretary shall make one or more of the following assistance programs available to qualifying livestock producers in a State, county or area, if the Secretary determines that the livestock emergency in such State, county or area requires the implementation of such program:

“(1) The donation of feed grain owned by the Commodity Credit Corporation to producers who are financially unable to purchase feed under paragraph (2) or to participate in any other program authorized under this subsection.

“(2) The sale of feed grain owned by the Commodity Credit Corporation to producers for livestock feed at a price, established by the Secretary, that does not exceed—

“(A) with respect to such assistance provided for any livestock emergency determined to exist prior to January 1, 1989, 75 percent of the current basic county loan rate for such feed grain in effect under this Act (or at a comparable price if there is no such current basic county loan rate), or

“(B) with respect to such assistance provided for any other livestock emergency, 50 percent of the average market price in the county or area involved, as determined by the Secretary.

“(3) Reimbursement of any transportation and handling expenses incurred, not to exceed 50 percent of such expenses, by a producer in connection with feed grain donations or sales under paragraphs (1) and (2).

Transportation.

“(4) Reimbursement of not to exceed 50 percent of the cost of feed purchased by a producer for the producer's livestock during the duration of the livestock emergency.

“(5) Hay and forage transportation assistance to producers of not to exceed 50 percent of the cost of transporting hay or forage purchased from a point of origin beyond a producer's normal trade area to the livestock, subject to the following limitations:

Transportation.

“(A) The transportation assistance may not exceed \$50 per ton of eligible hay or forage (\$12.50 for silage).

“(B) The quantity of eligible hay and forage for each producer may not exceed the lesser of—

“(i) 20 pounds per day per eligible animal unit; or

“(ii) the quantity of additional feed needed by the producer for the duration of the livestock emergency.

“(6) Livestock transportation assistance to producers of not to exceed 50 percent of the cost of transporting livestock to and from available grazing locations, except that such assistance may not exceed the lesser of—

Transportation.

“(A) \$24 per head of a producer's eligible livestock; or

“(B) the local cost of the quantity of additional feed needed by the producer for the eligible livestock for duration of the livestock emergency.

“(b) If assistance is made available through the furnishing of feed grain under paragraph (1) or (2) of subsection (a), the Secretary may provide for the furnishing of the feed grain through a dealer or manufacturer and the replacing of the feed grain so furnished from feed grain owned by the Commodity Credit Corporation.

“(c) In providing assistance under paragraph (2) or (4) of subsection (a), the Secretary may make in-kind payments or reimbursements through the issuance of negotiable certificates that the Commodity Credit Corporation shall exchange for a commodity in accordance with rules prescribed by the Secretary.

“(d) No payment or benefit provided under this section shall be payable or due until such time as a completed application therefor has been approved.

“(e) A person eligible to receive a payment or benefit under this section with respect to a livestock emergency determined to exist prior to January 1, 1989, shall make application for such payment or benefit not later than March 31, 1989, or such later date that the Secretary, by regulation, may prescribe.

"ADDITIONAL ASSISTANCE

7 USC 1471e.

"SEC. 607. (a) In addition to the assistance provided under section 606, if the Secretary determines that the livestock emergency also requires the implementation of one or more of the assistance programs described in subsection (b), the Secretary shall implement such programs.

"(b) Special assistance under this section includes—

Transportation.

"(1) the donation of feed owned by the Commodity Credit Corporation for use in feeding livestock stranded and unidentified as to its owner, including the cost of transporting feed to the affected area, during such period as the Secretary, by regulation, may prescribe;

Water.

"(2) reimbursement of not to exceed 50 percent of the cost of—

"(A) installing pipelines (if that is the least expensive method) or other facilities, including tanks or troughs, for livestock water;

"(B) construction or deepening of wells for livestock water; or

"(C) developing springs or seeps for livestock water, as appropriate in drought areas to facilitate more efficient and better-distributed grazing on land normally used for grazing. Such cost-share assistance may not be made available to provide water for wildlife or recreational livestock, dry lot feeding, or barns or corrals, or to acquire pumping equipment;

"(3) reimbursement of not to exceed 50 percent of the cost of burning prickly pear cactus to make it suitable for animal feed; and

"(4) making commodities owned by the Commodity Credit Corporation available to livestock producers through the use of a catalog that specifies lots of a size that are economically feasible for a small producer to obtain by means of certificate exchanges.

"USE OF THE COMMODITY CREDIT CORPORATION

7 USC 1471f.

"SEC. 608. The Secretary shall carry out this title through the use of the funds, facilities, and authorities of the Commodity Credit Corporation.

"BENEFITS LIMITATION

7 USC 1471g.

"SEC. 609. (a) The total amount of benefits that a person shall be entitled to receive annually under one or more of the programs established under this title may not exceed \$50,000.

Regulations.

"(b) The Secretary shall issue regulations—

"(1) defining the term 'person', which shall conform, to the extent practicable, to the regulations defining the term 'person' issued under section 1001 of the Food Security Act of 1985, or successor statute;

"(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitation established under this section; and

"(3) providing that the term 'person' shall include, in the case of any cooperative association of producers, each member of the association with respect to benefits due to such member of the association.

“(c) No person may receive benefits under this title attributable to lost production of a feed commodity due to a natural disaster in 1988 to the extent that such person receives a disaster payment under the Disaster Assistance Act of 1988 on such lost production.

“(d) Each person otherwise eligible for a livestock emergency benefit under this title in 1988 shall be subject to the combined payment and benefits limitation established under section 211(c) of the Disaster Assistance Act of 1988.

“INELIGIBILITY

“SEC. 610. (a) Any person that has qualifying gross revenues in excess of \$2,500,000 annually, as determined by the Secretary, shall not be eligible to receive any livestock emergency benefits under this title. 7 USC 1471h.

“(b) For purposes of this section, the term ‘qualifying gross revenue’ means—

“(1) if a majority of the person’s annual income is received from farming and ranching operations, the gross revenue from the person’s farming and ranching operations; and

“(2) if less than a majority of the person’s annual income is received from farming and ranching operations, the person’s gross revenue from all sources.

“ADMINISTRATION

“SEC. 611. (a) The Commodity Credit Corporation shall issue regulations to carry out this title. Regulations. 7 USC 1471i.

“(b) Such regulations shall establish procedures to ensure that the request for assistance by a Governor or county committee under section 604, and individual applications of livestock producers under section 605 for assistance, are processed and decisions thereon are made as quickly as practicable.

“(c) For purposes of this title, indigenous plants available to a livestock producer but not normally consumed by livestock as feed, such as cactus, may not be considered as feed on hand for such producers.

“PENALTIES

“SEC. 612. A person that disposes of any feed made available to a livestock producer under this title other than as authorized by the Secretary shall be (1) subject to a civil penalty equal to the market value of the feed involved, to be recovered by the Secretary in a civil suit brought for that purpose, and (2) guilty of a misdemeanor and, on conviction thereof, subject to a fine of not more than \$1,000, or imprisonment for not more than one year, or both.” 7 USC 1471j.

(b) CONFORMING CHANGES.—(1) Section 1105 of the Food and Agriculture Act of 1977 (7 U.S.C. 2267) is repealed.

(2) Section 407 of the Agricultural Act of 1949 (7 U.S.C. 1427) is amended by striking out “and may make feed owned or controlled by it” in the fifth sentence and all that follows through the end of the sixth sentence and inserting in lieu thereof “and may donate or sell commodities in accordance with title VI.”

(3) Section 421 of the Agricultural Act of 1949 (7 U.S.C. 1433) is repealed.

(4) Public Law 86-299 (73 Stat. 574), as amended, is repealed. 7 USC 1427 note.

(5) Section 303 of the Dairy and Tobacco Adjustment Act of 1983 (7 U.S.C. 1427 note) is repealed.

7 USC 1427 note.

(c) **EFFECTIVE PERIOD.**—(1) This section and the amendments made by this section shall become effective 15 days after the date of the enactment of this Act.

(2) The provisions of section 604(d), 605(c), 606(a)(2)(A), 606(e), 609(c), and 609(d) of the Agricultural Act of 1949, as added by subsection (a), shall apply only with respect to any livestock emergency in 1988.

SEC. 102. ASSISTANCE FOR DAIRY FARMERS.

(a) **FISCAL YEAR 1989 GENERALLY.**—Section 201(d)(1)(D) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)(1)(D)) is amended by striking out “if for any of the calendar years 1988, 1989, and 1990” and inserting in lieu thereof “if for each of the calendar years 1988 and 1990”.

Effective date.

Termination

date.

7 USC 1446 note.

(b) **TEMPORARY INCREASE IN PRICE SUPPORT.**—Notwithstanding section 201(d)(1) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)(1)), the rate of price support for milk in effect under such section immediately before April 1, 1989, shall be increased by 50 cents throughout the period beginning on April 1, 1989, and ending on June 30, 1989.

SEC. 103. EMERGENCY FORAGE PROGRAM.

Contracts.

7 USC 1471d

note.

(a) **IN GENERAL.**—The Secretary of Agriculture shall implement an emergency forage program for established pasture damaged by the drought or related condition in 1988, under which the Secretary shall enter into cost-share agreements with owners or operators of such damaged land to provide for reseeding of forage crops on such land to facilitate late fall 1988 and early spring 1989 grazing and haying. Assistance may be provided to such owners and operators only when—

(1) the forage crop will not regenerate naturally;

(2) reseeding is the most cost-effective method to reestablish the forage crop; and

(3) reseeding is not undertaken simply to improve the forage crop damaged by the drought.

(b) **COST-SHARE.**—The Secretary shall share half the costs incurred under each agreement entered into under subsection (a), including the costs of seed, fertilizer, and other inputs on reseeded pasture.

(c) **LIMITATIONS.**—(1) The total amount of payments an owner or operator of pasture land shall be entitled to receive under this section shall be \$3,500.

(2) The Secretary may cost-share for reseeding under this section only if the reseeding is to nonannual crops planted for pasture purposes.

(d) **FUNDING.**—(1) The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.

(2) Not more than \$50,000,000 of the funds of the Commodity Credit Corporation may be expended under paragraph (1).

(3) To ensure the equitable award of funds under agreements under this section, as limited under paragraph (2), the Secretary may prorate, and adopt procedures to facilitate proration of, funds made available under this section.

TITLE II—EMERGENCY CROP LOSS ASSISTANCE

Subtitle A—Annual Crops

SEC. 201. PAYMENTS TO PROGRAM PARTICIPANTS FOR TARGET PRICE COMMODITIES.

7 USC 1421 note.

(a) **DISASTER PAYMENTS.**—(1) Effective only for producers on a farm who elected to participate in the production adjustment program established under the Agricultural Act of 1949 for the 1988 crop of wheat, feed grains, upland cotton, extra long staple cotton, or rice, except as otherwise provided in this subsection, if the Secretary of Agriculture determines that, because of drought, hail, excessive moisture, or related condition in 1988, the total quantity of the 1988 crop of the commodity that such producers are able to harvest on the farm is less than the result of multiplying 65 percent of the farm program payment yield established by the Secretary for such crop by the sum of the acreage planted for harvest and the acreage prevented from being planted (because of drought, hail, excessive moisture, or related condition in 1988, as determined by the Secretary) for such crop, the Secretary shall make a disaster payment available to such producers at a rate equal to—

(A) 65 percent of the established price for the crop for any deficiency in production greater than 35 percent, but not greater than 75 percent, for the crop; and

(B) 90 percent of the established price for the crop for any deficiency in production greater than 75 percent for the crop.

(2)(A) Payments provided under paragraph (1) for a crop of a commodity may not be made available to producers on a farm with respect to any acreage in excess of the permitted acreage for the farm for the commodity.

(B) Payments provided under paragraph (1) for a crop of a commodity may not be made available to producers on a farm unless such producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 207.

Contracts.
Insurance.

(3) The total quantity of a crop of a commodity on which deficiency payments otherwise would be payable to producers on a farm under the Agricultural Act of 1949 shall be reduced by the quantity on which a payment is made to the producers for the crop under paragraph (1).

(4) Effective only for the 1988 crops of wheat and feed grains, in the case of producers on a farm who elected after March 11, 1988, to devote all or a portion of the permitted acreage of the farm for the commodity to conservation or other uses in accordance with section 107D(c)(1)(C) or 105C(c)(1)(B) of the Agricultural Act of 1949 (7 U.S.C. 1445b-3(c)(1)(C) or 1444e(c)(1)(B)), the Secretary shall allow (within 30 days after the date of the enactment of this Act) such producers to elect whether to receive disaster payments in accordance with this subsection in lieu of payments under such section.

Conservation.

(b) **ADVANCE DEFICIENCY PAYMENTS.**—(1) This subsection shall apply only to producers on a farm who elected to participate in the production adjustment program established under the Agricultural Act of 1949 for the 1988 crop of wheat, feed grains, upland cotton, or rice.

Contracts.
Insurance.

(2)(A) Subject to subparagraph (B), if because of drought, hail, excessive moisture, or related condition in 1988 the total quantity of the 1988 crop of the commodity that the producers are able to harvest on the farm is less than the result of multiplying the farm program payment yield established by the Secretary for such crop by the sum of the acreage planted for harvest and the acreage prevented from being planted (because of such natural disaster, as determined by the Secretary) for such crop (hereinafter referred to as the "qualifying amount"), the producers shall not be required to refund any advance deficiency payment made to the producers for such crop under section 107C of the Agricultural Act of 1949 (7 U.S.C. 1445b-2) with respect to that portion of the deficiency in production that does not exceed 35 percent of the qualifying amount.

(B) Producers on a farm shall not be eligible for the waiver provided for under subparagraph (A), unless such producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 207.

(3) The Secretary shall allow producers on a farm that elected, prior to the date of enactment of this Act, not to receive advance deficiency payments made available for the 1988 crop under section 107C of such Act, to elect (within 30 days after the date of the enactment of this Act) whether to receive such advance deficiency payments.

(4) Effective only for the 1988 crops of wheat, feed grains, upland cotton, and rice, if the Secretary determines that any portion of the advance deficiency payment made to producers for the crop under section 107C of such Act must be refunded, such refund shall not be required prior to July 31, 1989, for that portion of the crop for which a disaster payment is made under subsection (a).

7 USC 1421 note.

SEC. 202. PAYMENTS TO PROGRAM NONPARTICIPANTS FOR TARGET PRICE COMMODITIES.

(a) **DISASTER PAYMENTS.**—Effective only for producers on a farm who elected not to participate in the production adjustment program established under the Agricultural Act of 1949 for the 1988 crop of wheat, feed grains, upland cotton, extra long staple cotton, or rice, if the Secretary of Agriculture determines that because of drought, hail, excessive moisture, or related condition in 1988, the total quantity of the 1988 crop of the commodity that such producers are able to harvest on the farm is less than the result of multiplying 65 percent of the county average yield established by the Secretary for such crop by the sum of acreage planted for harvest and the acreage for which prevented planted credit is approved by the Secretary for such crop under subsection (b), the Secretary shall make a disaster payment available to such producers. The payment shall be made to the producers at a rate equal to—

(1) 65 percent of the basic county loan rate (or a comparable price if there is no current basic county loan rate) for the crop, as determined by the Secretary, for any deficiency in production greater than 35 percent, but not greater than 75 percent, for the crop; and

(2) 90 percent of the basic county loan rate (or a comparable price if there is no current basic county loan rate) for the crop, as determined by the Secretary, for any deficiency in production greater than 75 percent for the crop.

(b) **PREVENTED PLANTING CREDIT.**—The Secretary shall provide prevented planting credit under subsection (a) with respect to acre-

age that producers on a farm were prevented from planting to the 1988 crop of the commodity for harvest because of drought, hail, excessive moisture, or related condition in 1988, as determined by the Secretary. Such acreage may not exceed the greater of—

(1) a quantity equal to the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1987 minus acreage actually planted to the commodity for harvest in 1988; or

(2) a quantity equal to the average of the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1985, 1986, and 1987, minus acreage actually planted to the commodity for harvest in 1988.

The Secretary shall make appropriate adjustments in applying the limitations contained in the preceding sentence to take into account crop rotation practices of the producers.

(c) **LIMITATIONS.**—(1) The amount of payments made available to producers on a farm for a crop of a commodity under subsection (a) shall be reduced by a factor equivalent to the acreage limitation program percentage established for such crop under the Agricultural Act of 1949.

(2) Payments provided under subsection (a) for a crop of a commodity may not be made available to the producers on a farm unless such producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 207.

Contracts.
Insurance.

SEC. 203. PEANUTS, SUGAR, AND TOBACCO.

7 USC 1421 note.

(a) **DISASTER PAYMENTS.**—(1) Effective only for the 1988 crops of peanuts, sugar beets, sugarcane, and tobacco, if the Secretary of Agriculture determines that, because of drought, hail, excessive moisture, or related condition in 1988, the total quantity of the 1988 crop of the commodity that the producers on a farm are able to harvest is less than the result of multiplying 65 percent of the county average yield (or program yield, in the case of peanuts) established by the Secretary for such crop by the sum of the acreage planted for harvest and the acreage for which prevented planted credit is approved by the Secretary for such crop under subsection (b), the Secretary shall make a disaster payment available to such producers. The payment shall be made to the producers at a rate equal to—

(A) 65 percent of the applicable payment level under paragraph (2), as determined by the Secretary, for any deficiency in production greater than 35 percent, but not greater than 75 percent, for the crop (or in the case of a crop of burley tobacco or flue-cured tobacco, for any deficiency in production greater than 35 percent, but not greater than 75 percent, of the farm's effective marketing quota for 1988); and

(B) 90 percent of the applicable payment level under paragraph (2), as determined by the Secretary, for any deficiency in production greater than 75 percent for the crop (or, in the case of burley tobacco or flue-cured tobacco, for any deficiency in production greater than 75 percent of the farm's effective marketing quota for 1988).

(2) For purposes of paragraph (1), the payment level for a commodity shall be equal to—

(A) for peanuts, the price support level for quota peanuts or the price support level for additional peanuts, as appropriate;

(B) for tobacco, the national average loan rate for the type of tobacco involved, or (if there is none) the market price, as determined under section 204(a)(2); and

(C) for sugar beets and sugarcane, a level determined by the Secretary to be fair and reasonable in relation to the level of price support established for the 1988 crops of sugar beets and sugarcane, and that, insofar as is practicable, shall reflect no less return to the producer than under the 1988 price support levels.

(b) **PREVENTED PLANTING CREDIT.**—The Secretary shall provide prevented planting credit under subsection (a) with respect to acreage that producers on a farm were prevented from planting to the 1988 crop of the commodity for harvest because of drought, hail, excessive moisture, or related condition in 1988, as determined by the Secretary. Such acreage may not exceed the greater of—

(1) a quantity equal to the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1987 minus acreage actually planted for harvest in 1988; or

(2) a quantity equal to the average of the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1985, 1986, and 1987, minus acreage actually planted to the commodity for harvest in 1988.

The Secretary shall make appropriate adjustments in applying the limitations contained in the preceding sentence to take into account crop rotation practices of the producers and increased quotas for the 1988 crops of tobacco.

(c) **LIMITATION.**—Payments provided under subsection (a) for a crop of a commodity may not be made available to the producers on a farm unless such producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 207.

(d) **SPECIAL RULES FOR PEANUTS.**—Notwithstanding any other provision of law—

(1) a deficiency in production of quota peanuts from a farm, as otherwise determined under this section, shall be reduced by the quantity of peanut poundage quota that was the basis of such anticipated production that has been transferred from the farm;

(2) payments made under this section shall be taken into account whether the deficiency for which the deficiency in production is claimed was a deficiency in production of quota or additional peanuts and the payment rate shall be established accordingly; and

(3) the amount of undermarketings of quota peanuts from a farm for the 1988 crop that may otherwise be claimed under section 358 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358) for purposes of future quota increases shall be reduced by the quantity of the deficiency of production of such peanuts for which payment has been received under this section.

(e) **SPECIAL RULES FOR TOBACCO.**—Notwithstanding any other provision of law—

(1) the amount of undermarketings of quota tobacco from a farm for the 1988 crop that may otherwise be claimed under

Contracts.
Insurance.

Claims.

Claims.

Claims.

section 317 or 319 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314c or 1314e) for purposes of future quota increases shall be reduced by the quantity of the deficiency of production of such tobacco for which payment has been received under this section; and

(2) disaster payments made to producers under this section may not be considered by the Secretary in determining the net losses of the Commodity Credit Corporation under section 106A(d) of the Agricultural Act of 1949 (7 U.S.C. 1445-1(d)).

(f) **SPECIAL RULE FOR SUGAR.**—A producer of the 1988 crop of sugarcane or sugar beets that is unable to process the commodity into sugar due to the inability of local processing plants to process sugar as a result of drought, hail, excessive moisture, or related condition in 1988 shall be eligible for disaster payments in accordance with subsection (a) for any loss in sugar production attributable to such inability. Disaster payments made available under this subsection for such loss of production shall be reduced by an amount equal to any proceeds received by the producer from the disposition of that portion of the crop on which disaster payments are made.

SEC. 204. SOYBEANS AND NONPROGRAM CROPS.

7 USC 1421 note.

(a) **DISASTER PAYMENTS.**—(1)(A) Effective only for the 1988 crops of soybeans and nonprogram crops, if the Secretary of Agriculture determines that, because of drought, hail, excessive moisture, or related condition in 1988, the total quantity of the 1988 crop of the commodity that the producers on a farm are able to harvest is less than the result of multiplying 65 percent of—

(i) with respect to soybeans, the State, area, or county yield, adjusted for adverse weather conditions during the three previous crop years, as determined by the Secretary; or

(ii) with respect to nonprogram crops, the yield established by the Commodity Credit Corporation under subsection (d)(2), for such crop by the sum of the acreage planted for harvest and the acreage for which prevented planted credit is approved by the Secretary for such crop under subsection (b), the Secretary shall make a disaster payment available to such producers.

(B) The payment shall be made to such producers at a rate equal to—

(i) 65 percent of the applicable payment level under paragraph (2), as determined by the Secretary, for any deficiency in production greater than 35 percent, but not greater than 75 percent, for the crop; and

(ii) 90 percent of the applicable payment level under paragraph (2), as determined by the Secretary, for any deficiency in production greater than 75 percent for the crop.

(2) For purposes of paragraph (1), the payment level for a commodity shall equal the simple average price received by producers of the commodity, as determined by the Secretary subject to paragraph (3), during the marketing years for the immediately preceding five crops of the commodity, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period.

(3)(A) The Secretary shall make disaster payments under subsection (a) on a crop by crop basis, with consideration given to markets and uses of the crops, under regulations issued by the Secretary.

(B) For the purposes of determining the payment rates on a crop by crop basis, the Secretary shall consider as separate crops, and

Regulations.

develop separate payment rates insofar as is practicable for, different varieties of the same commodity for which there is a significant difference in the economic value in the market.

(b) **PREVENTED PLANTING CREDIT.**—The Secretary shall provide prevented planting credit under subsection (a) with respect to acreage that producers on a farm were prevented from planting to the 1988 crop of the commodity for harvest because of drought, hail, excessive moisture, or related condition in 1988, as determined by the Secretary. Such acreage may not exceed the greater of—

(1) a quantity equal to the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1987 minus acreage actually planted for harvest in 1988; or

(2) a quantity equal to the average of the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1985, 1986, and 1987, minus acreage actually planted to the commodity for harvest in 1988. The Secretary shall make appropriate adjustments in applying the limitations contained in the preceding sentence to take into account crop rotation practices of the producers.

(c) **LIMITATION.**—Payments provided under subsection (a) for a crop of a commodity may not be made available to the producers on a farm unless such producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 207.

(d) **SPECIAL RULES FOR NONPROGRAM CROPS.**—(1) As used in this section, the term “nonprogram crop” means all crops (including sweet potatoes) for which crop insurance through the Federal Crop Insurance Corporation was available for crop year 1988, and other commercial crops (including sweet potatoes) for which such insurance was not available for crop year 1988, except that such term shall not include a crop covered under section 201, 202, or 203, or soybeans.

(2) The Commodity Credit Corporation shall establish disaster program farm yields for nonprogram crops. The yield for a farm shall be based on proven yields, if the producers on the farm can provide satisfactory evidence to the Commodity Credit Corporation of actual crop yields on the farm for at least one of the immediately preceding three crop years. If such data do not exist for any of the three preceding crop years, the Commodity Credit Corporation shall establish a yield for the farm by using a county average yield for the commodity.

(3) It shall be the responsibility of the producers of nonprogram crops to provide satisfactory evidence of crop losses resulting from drought, hail, excessive moisture, or related condition in 1988 in order for such producers to obtain disaster payments under this section.

Contracts.
Insurance.

7 USC 1421 note.

SEC. 205. CROP QUALITY REDUCTION DISASTER PAYMENTS.

(a) **IN GENERAL.**—To ensure that all producers of 1988 crops covered under the provisions of sections 201 through 203, and producers of soybeans, are treated equitably, the Secretary of Agriculture may make additional disaster payments to producers of such crops that suffer losses resulting from the reduced quality of such crops caused by drought, hail, excessive moisture, or related conditions in 1988, as determined by the Secretary.

(b) **ELIGIBLE PRODUCERS.**—If the Secretary determines to make crop quality disaster payments available to producers under subsection (a), producers on a farm of a crop described in subsection (a) shall be eligible to receive reduced quality disaster payments only if such producers incur a deficiency in production of not less than 35 percent and not more than 75 percent for such crop (as determined under section 201, 202, 203, or 204, as appropriate).

(c) **MAXIMUM PAYMENT RATE.**—The Secretary shall establish the reduced quality disaster payment rate, but such rate shall not exceed 10 percent, as determined by the Secretary, of—

(1) the established price for the crop, for commodities covered under section 201;

(2) the basic county loan rate for the crop (or a comparable price if there is no current basic county loan rate), for commodities covered under section 202;

(3) the payment level under section 203(a)(2), for commodities covered by section 203; and

(4) the payment level under section 204(a)(2), for commodities covered under section 204.

(d) **DETERMINATION OF PAYMENT.**—The amount of payment to a producer under this section shall be determined by multiplying the payment rate established under subsection (c) by the portion of the actual harvested crop on the producer's farm that is reduced in quality by such natural disaster in 1988, as determined by the Secretary.

SEC. 206. EFFECT OF FEDERAL CROP INSURANCE PAYMENTS.

7 USC 1421 note.

In the case of producers on a farm who obtained crop insurance for the 1988 crop of a commodity under the Federal Crop Insurance Act, the Secretary of Agriculture shall reduce the amount of payments made available under this subtitle for such crop to the extent that the amount determined by adding the net amount of crop insurance indemnity payment (gross indemnity less premium paid) received by such producers for the deficiency in the production of the crop and the disaster payment determined in accordance with this subtitle for such crop exceeds the amount determined by multiplying—

(1) 100 percent of the yield used for the calculation of disaster payments made under this subtitle for such crop, by

(2) the sum of the acreage of such crop planted to harvest and the acreage for which prevented planting credit is approved by the Secretary (or, in the case of disaster payments under section 201, the eligible acreage established under sections 201(a)(1) and 201(a)(2)(A)), by

(3)(A) in the case of producers who participated in a production adjustment program for the 1988 crop of wheat, feed grains, upland cotton, extra long staple cotton, or rice, the established price for the 1988 crop of the commodity;

(B) in the case of producers who did not participate in a production adjustment program for the 1988 crop of wheat, feed grains, upland cotton, extra long staple cotton, or rice, the basic county loan rate (or a comparable price, as determined by the Secretary, if there is no current basic county loan rate) for the 1988 crop of the commodity;

(C) in the case of producers of sugar beets, sugarcane, peanuts, or tobacco, the payment level for the commodity established under section 203(a)(2); and

(D) in the case of producers of soybeans or a nonprogram crop (as defined in section 204(d)(1)), the simple average price received by producers of the commodity, as determined by the Secretary, during the marketing years for the immediately preceding five crops of the commodity, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period.

Loans.
Contracts.
7 USC 1421 note.

SEC. 207. CROP INSURANCE COVERAGE FOR THE 1989 CROPS.

(a) **REQUIREMENT.**—Subject to the limitations under subsection (b), producers on a farm, to be eligible to receive a disaster payment under this subtitle, an emergency loan under subtitle C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961 et seq.) for crop losses due to drought, hail, excessive moisture, or related condition in 1988, or forgiveness of the repayment of advance deficiency payments under section 201(b), must agree to obtain multiperil crop insurance under the Federal Crop Insurance Act for the 1989 crop of the commodity for which such payments, loans, or forgiveness are sought.

(b) **LIMITATIONS.**—Producers on a farm shall not be required to agree to obtain crop insurance under subsection (a) for a commodity—

(1) unless the producers' deficiency in production, with respect to the crop for which a disaster payment under this subtitle otherwise may be made, exceeds 65 percent;

(2) where, or if, crop insurance coverage is not available to the producers for the commodity for which the payment, loan, or forgiveness is sought;

(3) if the producers' annual premium rate for such crop insurance is an amount greater than 125 percent of the average premium rate for insurance on that commodity for the 1988 crop in the county in which the producers are located;

(4) in any case in which the producers' annual premium for such crop insurance is an amount greater than 25 percent of the amount of the payment, loan, or forgiveness sought; or

(5) if the producers can establish by appeal to the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590(b)), or to the county committee established under section 332 of the Consolidated Farm and Rural Development Act (17 U.S.C. 1982), as appropriate, that the purchase of crop insurance would impose an undue financial hardship on such producers and that a waiver of the requirement to obtain crop insurance should, in the discretion of the county committee, be granted.

(c) **IMPLEMENTATION.**—(1) The Secretary of Agriculture shall ensure (acting through the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act and located in the counties in which the assistance programs provided for under sections 201 through 205 are implemented and through the county committees established under section 332 of the Consolidated Farm and Rural Development Act in counties in which emergency loans, as described in subsection (a), are made available) that producers who apply for assistance, as described in subsection (a), obtain multiperil crop insurance as required under this section.

(2) Each producer who is subject to the requirements of this section may comply with such requirements by providing evidence

of multiperil crop insurance coverage from sources other than through the county committee office, as approved by the Secretary.

(3) The Secretary shall provide by regulation for a reduction in the commissions paid to private insurance agents, brokers, or companies on crop insurance contracts entered into under this section sufficient to reflect that such insurance contracts principally involve only a servicing function to be performed by the agent, broker, or company.

Regulations.

(d) REPAYMENT OF BENEFITS.—Each producer subject to the requirements under this section shall make immediate repayment to the Secretary of any disaster payment or forgiven advance deficiency payment that the producer otherwise is required to repay, and (notwithstanding any other provision of law) shall become immediately liable for full repayment of all principal and interest outstanding on any emergency loan described in subsection (a) made subject to this section, at any time (prior to the end of the 1989 crop year for the commodity involved) that the crop insurance coverage required of the producer under this section is cancelled by the producer.

SEC. 208. DRY EDIBLE BEANS; COMMUNICATION AND EDUCATION.

Insurance.
7 USC 1421 note.

(a) DRY EDIBLE BEANS.—Section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended by inserting after subsection (i) the following new subsection:

“(j) To accumulate, prior to the 1989 crop year, sufficient actuarial data to enable the Corporation to provide crop insurance that meets the differentiated needs of producers of different types of dry edible beans. Commencing with the 1989 crop year, the Corporation shall make such crop insurance available to producers.”

(b) COMMUNICATION AND EDUCATION.—The Federal Crop Insurance Corporation, as soon as practicable, shall make improvements in—

(1) the dissemination of information to producers on the availability of Federal crop insurance, using existing Department of Agriculture education facilities and producer financial and crop program support personnel;

(2) the training requirements of crop insurance agents who sell and service Federal crop insurance coverage;

(3) the incentives to increase the sale of Federal crop insurance through the delivery systems provided for under sections 507(c) and 508(e) of the Federal Crop Insurance Act;

(4) the Federal crop insurance agency referral system for producers seeking information or insurance coverage;

(5) the cooperation between Federal and State agencies relating to the Federal crop insurance program; and

(6) the use of financial and educational computer programs available in Federal and State agencies to foster the use of Federal crop insurance as a uniform input of costs of production of agricultural commodities for purposes of disaster risk management.

SEC. 209. TRANSFER OF FUNDS.

7 USC 1421 note.

The Secretary of Agriculture may transfer funds made available to the Commodity Credit Corporation during fiscal year 1988 to the Agricultural Stabilization and Conservation Service in such amounts as may be necessary for salaries and other expenses incurred in carrying out titles I and II of this Act, except that this

authorization shall be available only if funding for this purpose is not provided under an appropriations Act.

7 USC 1421 note. **SEC. 210. CROPS HARVESTED FOR FORAGE USES.**

Not later than 15 days after the date of the enactment of this Act, the Secretary of Agriculture shall announce the terms and conditions by which producers on a farm may establish 1988 yield with respect to crops that will be harvested for silage and other forage uses.

7 USC 1421 note. **SEC. 211. PAYMENT LIMITATIONS.**

(a) **LIMITATION.**—Subject to subsections (b) and (c), the total amount of payments that a person shall be entitled to receive under one or more of the programs established under this subtitle may not exceed \$100,000.

Animals.

(b) **NO DOUBLE BENEFITS.**—No person may receive disaster payments under this subtitle to the extent that such person receives a livestock emergency benefit for lost feed production in 1988 under section 606 of the Agricultural Act of 1949, as added by section 101(a) of this Act.

Animals.

(c) **COMBINED LIMITATION.**—No person may receive any payment under this subtitle or benefit under title VI of the Agricultural Act of 1949 for livestock emergency losses suffered in 1988 if such payment or benefit will cause the combined total amount of such payments and benefits received by such person to exceed \$100,000. If a producer is subject to the preceding sentence, the person may elect (subject to the benefits limitations under section 609 of the Agricultural Act of 1949) whether to receive the \$100,000 in such payments, or such livestock emergency benefits (not to exceed \$50,000), or a combination of payments and benefits specified by the person.

(d) **REGULATIONS.**—The Secretary of Agriculture shall issue regulations—

(1) defining the term “person” for the purposes of this section, which shall conform, to the extent practicable, to the regulations defining the term “person” issued under section 1001 of the Food Security Act of 1985; and

(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitations established under this section.

7 USC 1421 note. **SEC. 212. DE MINIMIS YIELDS.**

The Secretary of Agriculture may determine a de minimis yield for each crop eligible for reduced yield disaster payments under this subtitle. The de minimis yield shall be set at a level that will minimize any incentive provided by the prospect of disaster payments to abandon crops that have a value that exceeds the cost of harvesting. In no case may the de minimis yield be less than the amount of production that, when valued at current market prices, equals the average cost of harvesting the crop, as determined by the Secretary. Any producer whose actual yield for a crop is equal to or less than the de minimis yield for such crop shall be considered as having an actual yield of zero for the purpose of calculating any reduced yield disaster payments for such crop under this subtitle.

Subtitle B—Forest Crops

7 USC 1421 note.

SEC. 221. ELIGIBILITY.

(a) **DROUGHT LOSS.**—Subject to the limitation in subsection (b), the Secretary of Agriculture shall provide assistance, as specified in section 222, to eligible tree farmers that planted tree seedlings in 1987 or 1988 for commercial purposes but lost such seedlings as a result of the drought or related condition in 1988, as determined by the Secretary.

(b) **LIMITATION.**—An eligible tree farmer shall qualify for assistance under subsection (a) if such tree farmer's tree seedling mortality, as a result of the natural disaster, exceeds 35 percent (adjusted for normal mortality).

SEC. 222. ASSISTANCE.

The assistance provided by the Secretary of Agriculture to eligible tree farmers for losses described in section 221 shall consist of either—

- (1) reimbursement of 65 percent of the cost of replanting seedlings lost due to drought or related conditions in 1988 in excess of 35 percent mortality (adjusted for normal mortality); or
- (2) at the discretion of the Secretary, sufficient tree seedlings to reestablish the stand.

SEC. 223. LIMITATION ON ASSISTANCE.

(a) **LIMITATION.**—The total amount of payments that a person shall be entitled to receive under this subtitle may not exceed \$25,000, or an equivalent value in tree seedlings.

(b) **REGULATIONS.**—The Secretary of Agriculture shall issue regulations—

- (1) defining the term "person" for the purposes of this subtitle, which shall conform, to the extent practicable, to the regulations defining the term "person" issued under section 1001 of the Food Security Act of 1985; and
- (2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitation established under this section.

SEC. 224. DEFINITION.

As used in this subtitle, the term "eligible tree farmer" means a person that produces annual crops from trees for commercial purposes or that grows trees for harvest for commercial purposes, and owns 1,000 acres or less of such trees.

SEC. 225. DUPLICATIVE PAYMENTS.

The Secretary of Agriculture shall establish guidelines to ensure that no person receives duplicative payments under this subtitle and the forestry incentives program, agricultural conservation program, or other existing Federal program.

7 USC 1421 note.

Subtitle C—Administrative Provisions

SEC. 231. INELIGIBILITY.

(a) **GENERAL RULE.**—A person that has qualifying gross revenues in excess of \$2,000,000 annually, as determined by the Secretary of Agriculture, shall not be eligible to receive any disaster payment or other benefits under this title.

(b) **QUALIFYING GROSS REVENUES.**—For purposes of this section, the term “qualifying gross revenues” means—

(1) if a majority of the person’s annual income is received from farming, ranching, and forestry operations, the gross revenue from the person’s farming, ranching, and forestry operations; and

(2) if less than a majority of the person’s annual income is received from farming, ranching, and forestry operations, the person’s gross revenue from all sources.

SEC. 232. TIMING AND MANNER OF ASSISTANCE.

(a) **TIMING OF ASSISTANCE.**—(1)(A) Subject to subparagraph (B), the Secretary of Agriculture shall make full disaster assistance available under this title as soon as practicable after the date of the enactment of this Act.

(B) Notwithstanding any other provision of law or of this Act, no payment or benefit provided under this title shall be payable or due until such time as a completed application therefor has been approved.

(2) A person eligible to receive payments under subtitle A shall make application for such payments not later than March 31, 1989, or such later date that the Secretary, by regulation, may prescribe.

(b) **MANNER.**—The Secretary may make payments available under subtitle A in the form of cash, commodities, or commodity certificates, as determined by the Secretary.

SEC. 233. USE OF COMMODITY CREDIT CORPORATION.

The Secretary of Agriculture shall use the funds, facilities, and authorities of the Commodity Credit Corporation in carrying out this title.

SEC. 234. REGULATIONS.

The Secretary of Agriculture or the Commodity Credit Corporation, as appropriate, shall issue regulations to implement the provisions of this title as soon as practicable, without regard to the requirement for notice and public participation in rulemaking prescribed in section 553 of title 5, United States Code, or in any directive of the Secretary.

Subtitle D—Sense of Congress

SEC. 241. PURPOSES OF DISASTER PAYMENTS.

It is the sense of Congress that disaster payments made to producers under subtitle A are intended to preserve each producer’s livelihood and farming operation, to enable the producer to meet preexisting commitments and obligations, to protect the infrastructure of the United States agricultural production input, supply,

Rural areas.
Marketing.
7 USC 1421 note.

marketing, and distribution systems, and to preserve the vitality and financial health of rural communities.

TITLE III—OTHER EMERGENCY PROVISIONS

Subtitle A—Commodity Stock Adjustment

SEC. 301. SOYBEANS, SUNFLOWERS, AND COTTONSEED AND SUNFLOWER SEED OIL.

(a) PLANTING OF SOYBEANS AND SUNFLOWERS ON PERMITTED ACRES.—(1) Effective for the 1989 and 1990 crops, section 504 of the Agricultural Act of 1949 (7 U.S.C. 1464) is amended by adding at the end thereof the following new subsection:

“(e)(1) Notwithstanding any other provision of this Act—

“(A)(i) Effective for the 1989 crops, the Secretary shall permit, subject to subparagraph (B), producers on a farm to plant soybeans or sunflowers on a portion (not less than 10 percent nor more than 25 percent) of the producers’ 1989 wheat, feed grain, upland cotton, extra long staple cotton, and rice permitted acreage, as determined by the Secretary.

“(ii) Effective for the 1990 crops, if the Secretary determines that there will be insufficient supplies of soybeans, the Secretary may permit, subject to subparagraph (B), the producers on a farm to plant soybeans or sunflowers on a portion (not less than 10 percent nor more than 25 percent) of the farm’s 1990 wheat, feed grain, upland cotton, extra long staple cotton, and rice permitted acreage, as determined by the Secretary.

“(B)(i) For the 1989 crops and, if necessary, the 1990 crops, the Secretary shall establish a sign-up period during which the producers on a farm, participating in the wheat, feed grain, upland cotton, extra long staple cotton, or rice price support and production adjustment program, must state their intentions regarding use of the increased planting provision under subparagraph (A).

“(ii) After termination of the sign-up period under clause (i), the Secretary shall estimate whether, based on the additional soybean and sunflower plantings for the crop, the average market price for that crop of soybeans will be below 115 percent of the loan rate established for the previous crop of soybeans.

“(iii) If the Secretary estimates that the average market price for the crop of soybeans will be below 115 percent of such loan rate, the Secretary shall reduce the percentage of permitted acreage on the farm that may be planted to soybeans and sunflowers to a level, or prohibit such plantings, as necessary to ensure that the average soybean market price does not fall below 115 percent of such loan rate.

“(iv) For each of the 1989 and 1990 crops, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a statement setting forth the reasons for permitting or not permitting producers to plant soybeans or sunflowers on permitted acreage and any reduction in the permitted planting percentage under this subparagraph.

- “(C)(1) For the purposes of determining the farm acreage base or the crop acreage bases for the farm, any acreage on the farm on which soybeans or sunflowers are planted under this paragraph shall be considered to be planted to the program crop for which soybeans or sunflowers are substituted.
- Loans. “(2) The Secretary may not make program benefits other than soybean or sunflower seed price support loans and purchases available to producers with respect to acreage planted to soybeans or sunflowers under paragraph (1) and shall ensure that the crop acreage bases established for the farm and the farm acreage base are not increased due to such plantings.”
- Marketing. (2) Not earlier than February 1, 1989, and not later than March 1, 1989, with respect to the 1989 crop of soybeans, and not later than September 1, 1989, with respect to the 1990 crop of soybeans, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a statement setting forth the reasons for implementing or not implementing the soybean marketing loan program authorized under section 201(i)(3) of the Agricultural Act of 1949 (7 U.S.C. 1446(i)(3)) for such crop. Such statement shall include—
- Loans. 7 USC 1446 note. (A) an economic evaluation of current soybean markets, foreign and domestic;
- Exports. (B) the current foreign soybean production statistics;
- (C) the United States soybean export market situation and outlook;
- (D) the computation of the prevailing world market price for soybeans, as described in section 201(i)(3)(B) of such Act;
- (E) the fiscal effect of the implementation of the marketing loan for soybeans; and
- (F) such other factors as the Secretary considers appropriate.
- 7 USC 1464 note. (b) COTTONSEED AND SUNFLOWER SEED OIL.—(1) The Secretary of Agriculture shall determine if the price of cottonseed or cottonseed products is adversely affected by the amendment made by subsection (a)(1). If the Secretary determines that any such price has been adversely affected, the Secretary shall support the price of cottonseed and cottonseed products through loans, purchases, export assistance, or any other form of assistance, as necessary to offset such adverse effect.
- Loans. Exports. (2)(A) Effective for the fiscal years ending September 30, 1989, and September 30, 1990, the Secretary of Agriculture shall use funds available under section 32 of Public Law 320, Seventy-fourth Congress (7 U.S.C. 612c), to purchase sunflower seed oil and cottonseed oil to facilitate additional export sales of sunflower seed oil and cottonseed oil at competitive prices, as necessary and appropriate to enable United States producers to compete with producers in other countries in world markets. Funds may be made available under this subparagraph only to the extent authorized in advance in appropriations Acts; and such funds shall be in addition to funds made available for the purchase of sunflower seed oil under section 637 of the rural development, agriculture, and related agencies appropriations in section 101(k) of Public Law 100-202 (101 Stat. 1329-357).
- Exports. (B) To the extent practicable, facilitation of cottonseed oil exports shall be accomplished through the use of authorities available to the Secretary other than the authority granted in subparagraph (A).

(3) Except as otherwise provided in paragraph (2)(A), the Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this subsection.

SEC. 302. OATS.

(a) **FARM ACREAGE BASES.**—Section 503 of the Agricultural Act of 1949 (7 U.S.C. 1463) is amended by adding at the end thereof the following new subsection:

“(c)(1) Notwithstanding any other provision of this Act, effective for each of the 1989 and 1990 crops, if the acreage limitation percentage established for a crop of feed grains under section 105C(f) is 12.5 percent or less, the Secretary shall permit producers on a farm to designate any portion of the farm acreage base (excluding any portion designated as soybean acreage base) for the crop year as acreage base established for oats. For the purposes of determining the farm acreage base or the crop acreage bases for the farm, any acreage on the farm that is designated as oats base under this paragraph and planted to oats for harvest in 1989 or 1990 shall be considered to be planted to the program crop for which oats are substituted.

“(2) The Secretary shall not make program benefits other than benefits available under the program established for oats available to producers with respect to acreage planted to oats under paragraph (1), and shall ensure that the crop acreage bases established for the farm and the farm acreage base are not increased due to such plantings.”

(b) **SENSE OF CONGRESS.**—It is the sense of Congress that if the acreage limitation requirement established for the 1989 or 1990 crop of feed grains under section 105C(f) of the Agricultural Act of 1949 is more than 12.5 percent, the Secretary of Agriculture should establish the lowest possible acreage limitation requirement for such crop of oats under section 105C(f) if market imbalances for barley and oats exist.

7 USC 1444e
note.

SEC. 303. PRODUCER RESERVE PROGRAM FOR WHEAT AND FEED GRAINS.

(a) **REPAYMENT OF LOANS.**—Effective for the 1988 marketing year for wheat or feed grains, once the market price described in clause (5) of the third sentence of subsection (b) of section 110 of the Agricultural Act of 1949 (7 U.S.C. 1445e) has been reached at any time during such marketing year with respect to such commodity, producers may repay loans made under section 110 for such commodity during the remainder of such marketing year without the payment of a penalty, regardless of the then current market price.

7 USC 1445e
note.

(b) **REDEMPTION OF GENERIC CERTIFICATES.**—Effective only for the 1988 marketing years for wheat and feed grains, section 110 of the Agricultural Act of 1949 (7 U.S.C. 1445e) is amended by adding at the end thereof the following new subsection:

“(j) Notwithstanding any other provision of law, if a producer has substituted purchased or other commodities for the commodities originally pledged as collateral for a loan made under this section, the producer may repay the loan using a generic commodity certificate that may be exchanged for commodities owned by the Commodity Credit Corporation, if the substitute commodities have been pledged as loan collateral and redeemed only within the same county.”

Loans.

SEC. 304. TOBACCO AND PEANUTS.

(a) **TRANSFER AUTHORITY.**—(1) Section 319 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e) is amended by adding at the end thereof the following new subsection:

Contracts.

“(k)(1) Notwithstanding any other provision of this section, the Secretary may permit, after July 1 of any crop year, the lease and transfer of burley tobacco quota assigned to a farm if—

“(A) the planted acreage of burley tobacco on the farm to which the quota is assigned is determined by the Secretary to be sufficient to produce the effective farm marketing quota under average conditions; and

“(B) the farm’s expected production of burley tobacco is less than 80 percent of the farm’s effective marketing quota as a result of a natural disaster condition.

Contracts.

“(2) Any lease and transfer of quota under this subsection may be made to any other farm within the same State in accordance with regulations issued by the Secretary.”

(2) Section 358a(k)(1) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358a(k)(1)), as effective for the 1986 through 1990 crops of peanuts, is amended by adding at the end thereof the following: “In the case of a fall transfer or a transfer after the normal planting season by a cash lessee, the landowner shall not be required to sign the transfer authorization. A fall transfer or transfer after the normal planting season may be made not later than 72 hours after the peanuts that are the subject of the transfer are inspected and graded.”

7 USC 1314e
note.

(b) **QUOTA ADJUSTMENT.**—Notwithstanding any other provision of law, if a producer has produced burley tobacco in 1988 in an amount less than the producer’s farm marketing quota for 1988 due to natural disaster, the Secretary may adjust the producer’s burley tobacco farm marketing quota for the 1989 crop, as established under section 319 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314(e)), by adding the accumulated undermarketings of the basic quota for 1988 crop, including undermarketings of leased quota, to the producer’s basic quota for the 1989 crop, except that such adjustment may not exceed 125 percent of the producer’s basic quota.”

Subtitle B—Disaster Credit and Forbearance7 USC 1961 note. **SEC. 311. EMERGENCY LOANS.**

Section 321(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(b)) shall not apply to a person who otherwise would be eligible for an emergency loan under subtitle C of such Act (subject to the person’s compliance with the requirements of section 207 of this Act), if such eligibility is the result of damage to an annual crop planted for harvest in 1988.

7 USC 1941 note. **SEC. 312. 1989 FARM OPERATING LOANS.**

(a) **DIRECT CREDIT.**—To the maximum extent practicable, the Secretary of Agriculture shall ensure that direct operating loans made or insured under subtitle B of the Consolidated Farm and Rural Development Act for 1989 crop production are made available to farmers and ranchers suffering major losses due to drought, hail, excessive moisture, or related condition in 1988, as authorized under

existing law and under regulations of the Secretary that implement the objective of enabling farmers and ranchers to stay in business.

(b) **LOAN GUARANTEES.**—(1) Notwithstanding any other provision of law, the Secretary of Agriculture shall make available in the fiscal year ending September 30, 1989, guarantees to commercial or cooperative lenders for loans under subtitle B of the Consolidated Farm and Rural Development Act, to refinance and reamortize 1988 operating loans, or 1988 or 1989 installments due and payable on real estate debt, farm equipment or building (including storage facilities) debt, livestock loans, or other operating debt, of farmers and ranchers that otherwise cannot be repaid due to major losses incurred by such farmers or ranchers as a result of drought, hail, excessive moisture, or related condition in 1988.

Real property.
Animals.

(2) Each fiscal year 1989 guaranteed loan for 1988 natural disaster purposes, as described in paragraph (1), shall contain terms and conditions governing the reamortization of the debt of the farmer or rancher that will provide the farmer or rancher a reasonable opportunity to continue to receive new operating credit while repaying the guaranteed loan, as determined by the Secretary.

(3) Notwithstanding any other provision of law, any person eligible to receive payments under subtitle A of title II of this Act shall be deemed eligible to have guaranteed, in accordance with this subsection, loans made to such person by a commercial or cooperative lender to refinance installment payments that are or become due and payable during 1988 or 1989, as described in paragraph (1), except that, to be deemed eligible to have such loan guaranteed, the person must otherwise be current in the person's obligation to the commercial or cooperative lender that agrees to accept the guarantee in consideration of allowing the person to make the 1988 or 1989 payment or installment over a period of time not to exceed 6 years from the original due date of such payment or installment, and must otherwise meet the criteria for guaranteed loan borrowers under subtitle B of the Consolidated Farm and Rural Development Act established by the Secretary.

(c) **USE OF ACIF FUNDS.**—For purposes of providing guaranteed loans in accordance with subsection (b) of this section, in addition to funds otherwise available, the Secretary may use any funds available from the Agricultural Credit Insurance Fund during fiscal years 1988 or 1989 for emergency insured and guaranteed loans under subtitle C of the Consolidated Farm and Rural Development Act to meet the needs resulting from natural disasters: *Provided*, That funds available from such Fund first shall be used to satisfy the level of assistance estimated by the Secretary to meet the needs of persons eligible for emergency disaster loans.

SEC. 313. FORBEARANCE AND RESTRUCTURING FOR FARM LOANS.

(a) **FARMERS HOME ADMINISTRATION.**—It is the sense of Congress that the Secretary of Agriculture should, with respect to farmers and ranchers who suffer major losses due to drought, hail, excessive moisture, or related condition in 1988—

7 USC 1981a
note.

(1) exercise forbearance in the collection of interest and principal on direct farmer program loans under the Consolidated Farm and Rural Development Act outstanding for such farmers and ranchers;

(2) expedite the use of credit restructuring and other credit relief mechanisms authorized under the Agricultural Credit Act

of 1987 and similar provisions of law for such farmers and ranchers; and

(3) encourage commercial lenders participating in guaranteed farmer lending programs under the Consolidated Farm and Rural Development Act to exercise forbearance before declaring loans to such farmers and ranchers under such programs in default.

12 USC 2252
note.

(b) **FARM CREDIT ADMINISTRATION.**—It further is the sense of Congress that the Farm Credit Administration should in its oversight of Farm Credit System institutions, with respect to farmers and ranchers who suffer major losses due to drought, hail, excessive moisture, or related condition in 1988—

(1) ensure that Farm Credit System institutions exercise forbearance in the collection of principal and interest on loans outstanding to such farmers and ranchers;

(2) expedite the use of credit restructuring and other credit relief mechanisms authorized under the Agricultural Credit Act of 1987 and related provisions of law for such farmers and ranchers; and

(3) encourage other lenders participating with Farm Credit System institutions in mutual loan agreements to exercise forbearance before declaring loans to such farmers and ranchers in default.

Subtitle C—Conservation Assistance

16 USC 3832
note.
Contracts.

SEC. 321. NEW CONSERVATION MEASURES.

(a) **IN GENERAL.**—(1) In the case of an owner or operator of land who has entered into a conservation reserve program contract under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) and harvests hay during the 1988 crop year on acreage subject to such contract as authorized by the Secretary of Agriculture, the Secretary may not reduce the amount of rental payments made to such owner or operator as the result of such harvesting to the extent that the owner or operator—

(A) carries out additional conservation practices, approved by the Soil Conservation Service in consultation with appropriate Federal and State agencies, to enhance soil, water, and wildlife conservation on or in the vicinity of lands subject to such contract; and

(B) pays the costs of carrying out such practices.

(2) The amount of the reduction prohibited under paragraph (1) shall equal one-half of the amount paid by the owner or operator to cover the costs of carrying out the conservation practices.

(b) **CONSERVATION PRACTICES.**—For purposes of subsection (a), the term “conservation practices” includes—

(1) establishment of permanent shelterbelts and windbreaks;

(2) restoration of wetlands;

(3) establishment of wildlife food plots; or

(4) planting of trees.

Water.
Wildlife.

SEC. 322. CONSERVATION RESERVE ENHANCEMENT PROGRAMS.

Effective beginning with the 1988 crop year, subsection (f) of section 1234 of the Food Security Act of 1985 (16 U.S.C. 3834(f)) is amended by adding at the end thereof the following new paragraph:

“(4) The provisions of this subsection that limit payments to any person, and section 1305(d) of the Agricultural Reconciliation Act of 1987, shall not be applicable to payments received by a State, political subdivision, or agency thereof in connection with agreements entered into under a special conservation reserve enhancement program carried out by that entity that has been approved by the Secretary. The Secretary may enter into such agreements for payments to States, political subdivisions, or agencies thereof that the Secretary determines will advance the purposes of this subtitle.”.

Contracts.
State and local
governments.

Subtitle D—Rural Businesses

SEC. 331. DISASTER ASSISTANCE FOR RURAL BUSINESS ENTERPRISES.

7 USC 1929a
note.
Indians.

(a) **LOAN GUARANTEES.**—The Secretary of Agriculture shall guarantee loans made in rural areas to public, private, or cooperative organizations, to Indian tribes on Federal and State reservations or other federally recognized Indian tribal groups, or to any other business entities to assist them in alleviating distress caused to such entities, directly or indirectly, by the drought, hail, excessive moisture, or related condition in 1988, and shall guarantee loans made in rural areas to such entities that refinance or restructure debt as a result of losses incurred, directly or indirectly, because of such natural disasters in 1988.

(b) **ELIGIBLE LOANS.**—Loans that may be guaranteed under this section are loans made by any Federal or State chartered bank, savings and loan association, cooperative lending agency, insurance company, or other legally organized lending agency.

Banks and
banking.

(c) **LENDING LIMITS.**—(1) No guarantee under this section may exceed 90 percent of the principal amount of the loan and guarantees made on loans to any eligible borrower may not exceed \$500,000.

Loans.

(2) The total amount of loan guarantees that may be made under this section shall not exceed \$200,000,000.

(d) **USE OF THE RURAL DEVELOPMENT INSURANCE FUND.**—The Secretary shall use the Rural Development Insurance Fund established under section 309A of the Consolidated Farm and Rural Development Act for the purposes of discharging the Secretary's obligations under this section.

SEC. 332. SALE OF CORN TO ETHANOL PRODUCERS.

7 USC 1427 note.

(a) **IN GENERAL.**—Except as otherwise provided in this section and notwithstanding section 110(f) of the Agricultural Act of 1949 (7 U.S.C. 1445e(f)) or any other provision of law, if, during any month commencing after July 31, 1988, the average corn price (as determined under subsection (d)) exceeds the fuel conversion price (as defined in section 212 of the Agricultural Trade Suspension Adjustment Act of 1980 (7 U.S.C. 4005)), the Secretary of Agriculture may make available for sale to domestic producers of ethanol fuel, for the production of ethanol, not more than 12,000,000 bushels per month of corn owned by the Commodity Credit Corporation.

(b) **PRICE.**—Corn shall be sold under this section at a price that is not more than such fuel conversion price, except that such price shall not be less than 110 percent of the basic county loan rate for corn, prior to any adjustment made under section 105C(a)(3) of the Agricultural Act of 1949 (7 U.S.C. 1444e(a)(3)).

(c) **MAXIMUM AMOUNT.**—The total quantity of corn sold to any ethanol producer under this section may not exceed 2,000,000 bushels per month.

(d) **AVERAGE CORN PRICE.**—The average corn price under this section shall be determined by the Secretary based on the average corn price in markets used for determinations made under clause (5) of the third sentence of section 110(b) of the Agricultural Act of 1949 (7 U.S.C. 1445e(b)).

(e) **TERMS.**—(1) The Secretary may not make corn or other commodities available under this section to any domestic producer of ethanol that uses in excess of 30,000,000 bushels of corn or comparable commodity annually in producing ethanol.

Animals.

(2) Domestic producers of ethanol fuel purchasing corn under this section shall agree not to resell such corn and to make available a quantity of feed byproducts equivalent to the quantity processed from such corn for sale to domestic livestock producers and feeders in a manner and subject to such terms and conditions as are approved by the Secretary.

(f) **TERMINATION.**—The Secretary shall terminate any program established under this section no later than September 1, 1989. The Secretary shall terminate the program on an earlier date if the Secretary determines that—

(1) such program is no longer necessary to maintain the economic viability of the ethanol industry; or

Animals.

(2) a sufficient supply of corn otherwise would not be available to fulfill estimated obligations of the Commodity Credit Corporation under emergency livestock feeding programs during the subsequent 180-day period.

(g) **OTHER COMMODITIES.**—The Secretary may, at the request of a domestic producer of ethanol, substitute other feed grains (such as grain sorghum) for corn on an equitable basis, taking into account variations in the value of such commodities in the production of ethanol.

SEC. 333. SURVEY OF AGRIBUSINESS.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Agriculture shall—

(1) conduct a survey of rural business and enterprises, including grain handling and storage facilities, in the United States whose activities involve or are directly related to the production, processing, or marketing of agricultural commodities or products, or to servicing the business and home needs of United States farmers and ranchers, to determine the extent that such businesses are being adversely affected, directly or indirectly, by drought, hail, excessive moisture, or related condition in 1988; and

Reports.

(2) submit a report describing the results of such survey to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 334. FORWARD CONTRACTING REPORT.

(a) **REPORT.**—Not later than 60 days after the date of the enactment of this Act, the Secretary of Agriculture shall prepare and submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report on the financial effect that forward contracting,

hedging, and associated margin requirements for wheat, feed grains, and soybeans during the recent drought-related period of price volatility have had on producers and on grain marketers, particularly local elevators and intermediaries.

(b) **CONTENTS OF REPORT.**—In the report, the Secretary shall include a discussion of—

(1) the extent to which currently planted or stored crops are subject to cash forward contracts or otherwise are hedged, and what portion of such forward contracts are in danger of being defaulted on as a result of drought-related crop losses;

(2) the extent to which local grain elevators may experience severe financial stress due to defaults on cash forward contracts or due to margin requirements on futures market positions;

(3) the extent to which producers have been able to renegotiate forward contracts in light of drought-related changes in economic conditions;

(4) the extent to which hedging and forward contracting practices may produce unusual demands for credit among farm producers and marketers in light of drought-related conditions; and

(5) such other areas of related concern as the Secretary may find appropriate.

(c) **IMMEDIATE NOTIFICATION.**—The Secretary shall immediately notify, in advance of the report, the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate if the Secretary finds, in the course of the study required under this section, that serious economic or financial problems related to forward contracting, hedging, and margin requirements for grains are likely to arise.

(d) **CONSULTATION.**—The Secretary shall consult with the Chairman of the Commodity Futures Trading Commission on issues concerning futures markets that arise in the course of the study required under this section.

SEC. 335. RURAL ECONOMIC DEVELOPMENT RESPONSE TO THE DROUGHT.

(a) **FINDINGS.**—Congress finds that—

(1) the disastrous drought of 1988 is adversely affecting a large number of States, with serious economic consequences for family farmers;

(2) the harm caused by the drought is not limited to farmers, but extends to each rural community whose economic viability is being devastated;

(3) rural businesses and financial institutions are already experiencing the negative effects of decreased sales, and they anticipate severe problems over the next year, due to crop failures and the unavailability of credit;

(4) local rural governments, whose fiscal bases depend on tax revenues from agriculture and agriculture-related businesses, will experience, as a result of the effects of the drought, difficulties in providing services that are important to the quality of life for rural residents;

(5) as a result of the effects of the drought, significant savings will accrue to the Federal budget due to reduced deficiency payments and storage payments, substantially in excess of the funds allocated by this Act; and

(6) assistance to farmers, while essential, represents only the first stage of a comprehensive response to the serious national problems created by the drought.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) budgetary savings that accrue from the effects of the drought and other economic circumstances should, to the maximum extent possible, be dedicated to relief for farmers and agricultural workers and to assist rural businesses and communities in promotion of rural economic development;

(2) action should be taken to establish comprehensive Federal rural economic programs that address the needs of rural businesses and governments; and

(3) rural development programs should stress efforts to cooperate with and support local decisionmaking; promote market-based capital formation; create a more equitable and dependable partnership between the Federal Government and other levels of government; provide Federal initiatives for improving the quality of rural health care, child care, and education; and foster better understanding of the effect of Federal spending, tax, trade, and regulatory decisions on rural communities.

Subtitle E—Agricultural Exports

SEC. 341. SENSE OF CONGRESS—AGRICULTURAL EXPORTS.

(a) FINDINGS.—Congress finds that—

(1) the disastrous drought of 1988 is causing substantial agricultural crop losses and is putting an enormous financial burden on United States farmers and their families;

(2) the Food Security Act of 1985 (A) recognized that agricultural export markets are extremely important in ensuring the economic recovery and future success of United States farmers, their families, and rural communities, and (B) established several programs to develop and expand agricultural export markets and help restore the United States share of international agricultural trade;

(3) the programs under the Food Security Act of 1985, such as the export enhancement program and the targeted export assistance program, have been successful to date and have served to increase agricultural exports;

(4) United States agricultural exports make a substantial contribution to reducing our Nation's international trade deficit;

(5) it is important that the United States be perceived as being a reliable supplier of agricultural commodities and products;

(6) imposing embargoes on, or taking other steps to reduce the levels of, the exports of agricultural commodities or products in wake of the drought will undermine the gains made since 1985 in securing markets for United States agricultural commodities and products abroad, by allowing foreign competitors opportunity to move into our international markets; and

(7) imposing embargoes on, or taking other steps to reduce the levels of, exports of agricultural commodities and products would jeopardize the progress in strengthening our agricultural export markets made by export assistance programs under the Food Security Act of 1985.

(b) **SENSE OF CONGRESS.**—It is the sense of Congress that the Government should not take any action that (1) will further exacerbate the already disastrous circumstances for United States agriculture resulting from the drought by imposing, or facilitating the imposition of, embargoes or other limitations that reduce exports of agricultural commodities and products, or (2) otherwise jeopardize United States foreign agricultural markets or give our trading partners reason to believe United States farmers have become unreliable suppliers of agricultural commodities and products.

Subtitle F—Food Prices

SEC. 351. SENSE OF CONGRESS—FOOD PRICES.

(a) **FINDINGS.**—Congress finds that—

(1) the disastrous drought of 1988 is causing substantial agricultural crop losses and is placing enormous financial burdens on livestock, poultry, and dairy producers;

(2) in spite of the effects of the drought, the United States continues to have ample supplies of grain for human and animal consumption through the upcoming crop year;

(3) the Department of Agriculture projects that even if the drought continues, food prices are not expected to increase significantly due to the drought; and

(4) in view of these circumstances, no person in the United States should have to pay unwarranted, unjustified, or excessive food prices and that higher food prices, irrespective of their cause, affect those least able to pay the most.

(b) **SENSE OF CONGRESS.**—It is the sense of Congress that the Department of Agriculture, in cooperation with other Federal agencies and State and local agencies where appropriate, should monitor, study, and report to Congress about food price increases at wholesale and retail levels during the coming months, to ensure that no unwarranted food price increases are implemented and that any necessary increases are commensurate with commodity price increases resulting from the drought.

Reports.

SEC. 352. STUDY OF EFFECT OF DROUGHT ON FOOD PRICES.

(a) **SURVEY.**—The Secretary of Agriculture shall conduct a survey of food and commodity prices as of December 31, 1988, to determine the effects of the drought and related conditions in 1988 on recipients of Federal nutrition and hunger benefits.

Hunger.

(b) **REPORT.**—Not later than March 1, 1988, the Secretary shall submit a report to Congress on the results of the survey required under subsection (a), including—

(1) an analysis of the adequacy of benefits under Federal nutrition and hunger programs with respect to any food price inflation that has occurred because of the drought or related conditions in 1988; and

(2) recommendations for any actions that may be taken by the Secretary or Congress to address problems identified in such survey.

TITLE IV—WATER-RELATED ASSISTANCE

Subtitle A—Water Management for Rural Areas

7 USC 2204c.

Corporations.
Indians.
State and local
governments.

Research and
development.
Grants.
Loans.

Compacts
between States.

State and local
governments.

SEC. 401. WATER MANAGEMENT FOR RURAL AREAS.

(a) **IN GENERAL.**—The Secretary of Agriculture is authorized, directly or in coordination with any other Federal agency, entity, corporation, department, unit of State or local government, cooperative, confederation, individual, public or private organization, Indian tribe, or university, to—

- (1) conduct research and demonstration projects;
- (2) provide technical assistance and extension services;
- (3) make grants, loans, and loan guarantees; and
- (4) provide other forms of assistance, for the purpose of helping rural areas make better and more efficient use of water resources and to alleviate problems arising in such areas from droughts or lack of water.

(b) **ACTIVITIES.**—The Secretary is authorized to provide assistance under this section for the promotion or establishment of irrigation, watersheds, and other water management and drought management activities, including water transmission, application, and activation.

- (c) **COOPERATION.**—In implementing this section, the Secretary—
- (1) should address the general, special, and unique problems of water management existing in rural areas;
 - (2) may take action independently or in cooperation with Federal, State, public, or private entities and agencies; and
 - (3) shall cooperate with—

(A) cooperatives, public or private organizations, confederations, authorities, or other entities (including such entities that may be organized under multiple State agreements or compacts and entities created under State law) to carry out projects authorized under this section; and

(B) water, watershed, and sewer authorities, rural electric cooperatives, Federal agencies, and other State or local governments or agencies.

(d) **REGULATIONS.**—(1) The Secretary shall issue regulations to carry out this section.

- (2) Such regulations shall—

(A) specify the terms and conditions that the entities described in subsections (a) and (c) must meet in order to participate in programs carried out under this section;

(B) establish a procedure under which entities described in subsections (a) and (c) may apply for assistance under this section; and

(C) foster cooperation between such entities and other Federal, State, or local agencies for the purposes of carrying out the provisions of this section.

(e) **DEFINITION.**—As used in this section, the term “university” means—

- (1) a land grant university established under the Act of July 2, 1862 (known as the “First Morrill Act”; 12 Stat. 503, chapter 130; 7 U.S.C. 301 et seq.);

(2) a land grant university established under the Act of August 30, 1890 (known as the "Second Morrill Act"; 26 Stat. 419, chapter 841; 7 U.S.C. 321 et seq.);

(3) the Tuskegee Institute; and

(4) any other support research organization.

(f) **FUNDING.**—(1) There are authorized to be appropriated each fiscal year such sums as are necessary to carry out this section.

Appropriation authorization.

(2) The Secretary is authorized to accept funds from non-Federal sources to carry out the activities authorized by this section.

(g) **No WAIVERS.**—Nothing in this section shall authorize the waiver of a cost-share requirement under a program established under any other provision of law.

Subtitle B—Emergency Drought Authority

43 USC 502 note.

PART I—RECLAMATION STATES DROUGHT ASSISTANCE

Reclamation States Drought Assistance Act of 1988. Conservation.

SEC. 411. SHORT TITLE.

This part may be cited as the "Reclamation States Drought Assistance Act of 1988".

SEC. 412. ASSISTANCE DURING DROUGHT.

The Secretary of the Interior, acting under the authorities of the Federal reclamation laws (the Act of June 17, 1902 (32 Stat. 388), and Acts supplementary thereto and amendatory thereof) and other appropriate authorities of the Secretary shall—

(1)(A) perform studies to identify opportunities to augment, make use of, or conserve water supplies available to Federal reclamation projects and Indian water resource developments, which studies shall be completed no later than March 1, 1990; and

Indians.

(B) consistent with existing contractual arrangements and State law, and without further authorization, undertake construction, management, and conservation activities that will mitigate or can be expected to have an effect in mitigating losses and damages resulting from drought conditions in 1987, 1988, or 1989, which construction shall be completed by December 31, 1989; and

(2) assist willing buyers in their purchase of available water supplies from willing sellers and redistribute such water based upon priorities to be determined by the Secretary consistent with State law, with the objective of minimizing losses and damages resulting from drought conditions in 1987, 1988, and 1989.

SEC. 413. AVAILABILITY OF WATER ON A TEMPORARY BASIS.

(a) **GENERAL AUTHORITY.**—The Secretary of the Interior may make available, by contract, consistent with existing contracts or agreements and State law, water or canal capacity at existing Federal reclamation projects to water users and others, on a temporary basis to mitigate losses and damages resulting from drought conditions in 1987, 1988, and 1989.

Contracts.

(b) **CONTRACTS.**—Any contract signed under this section shall provide that—

(1) the price for the use of such water shall be at least sufficient to recover all Federal operation and maintenance costs, and an appropriate share of capital costs, except that, for water delivered to a landholding in excess of 960 acres of class I lands or the equivalent thereof for a qualified recipient and 320 acres of class I lands or the equivalent thereof for a limited recipient, the cost of such water shall be full cost (as defined in section 202(3)(A) of Public Law 97-293, 43 U.S.C. 390bb) for those acres in excess of 960 acres or 320 acres, as appropriate;

(2) the lands not now subject to reclamation law that receive temporary irrigation water supplies under this section shall not become subject to the ownership limitations of Federal reclamation law because of the delivery of such temporary water supplies;

(3) the lands that are subject to the ownership limitations of Federal reclamation law shall not be exempted from those limitations because of the delivery of such temporary water supplies; and

Termination
date.

(4) the contract shall terminate no later than December 31, 1989.

(c) **FISH AND WILDLIFE.**—The Secretary may make available water for the purposes of protecting fish and wildlife resources, including mitigating losses that occur as a result of drought conditions.

SEC. 414. EMERGENCY LOAN PROGRAM.

Transportation.
Contracts.

The Secretary of the Interior may make loans to water users for the purposes of undertaking management, conservation activities, or the acquisition and transportation of water consistent with State law, that can be expected to have an effect in mitigating losses and damages resulting from drought conditions in 1987, 1988, and 1989. Such loans shall be made available under such terms and conditions as the Secretary deems appropriate. Section 203(a) of the Reclamation Reform Act of 1982 (Public Law 97-293; 43 U.S.C. 390cc) shall not apply to any contract to repay such loan.

SEC. 415. INTERAGENCY COORDINATION.

Records.

The program established by this part, to the extent practicable, shall be coordinated with emergency and disaster relief operations conducted by other Federal and State agencies under other provisions of law. The Secretary of the Interior shall consult such other Federal and State agencies as he deems necessary. Other Federal agencies performing relief functions under other Federal authorities shall provide the Secretary with information and records that the Secretary deems necessary for the administration of this part.

SEC. 416. REPORT.

Not later than March 1, 1990, the Secretary of the Interior shall submit a report and recommendations to the President and Congress on—

- (1) expenditures and accomplishments under this part;
- (2) legislative and administrative recommendations for responding to droughts and drought related problems in the Reclamation States; and
- (3) structural and non-structural measures to mitigate the effects of droughts.

SEC. 417. CARRYOVER STORAGE AND WATER, NEW MELONES UNIT, CENTRAL VALLEY PROJECT, CALIFORNIA.

The first undesignated paragraph under the heading "San Joaquin River Basin" in section 203 of the Flood Control Act of 1962 (Public Law 87-874, 76 Stat. 1191) is amended by inserting before the last period the following: "*And provided further*, That the Secretary of the Interior is authorized to make available to the Oakdale and South San Joaquin irrigation districts, at the current contract rate, unallocated storage of such districts carried over from the previous year".

SEC. 418. INITIATION AND DEADLINE OF EMERGENCY DROUGHT PROGRAM.

(a) **LIMITATION.**—The programs and authorities established under this part shall become operative in any Reclamation State only after—

(1) the Governor of that State has declared a drought emergency; and

(2) the affected area is declared eligible for Federal disaster relief under applicable rules and regulations.

(b) **TERMINATION.**—The programs and authorities established under this part shall terminate on December 31, 1989, unless otherwise specifically stated.

PART 2—WATER PROJECT**SEC. 421. CENTRAL VALLEY PROJECT WATER RELEASES.**

The Secretary of the Interior is authorized to install a temperature control curtain as a demonstration project at Shasta Dam, Central Valley project, California, at a cost not to exceed \$5,500,000. The purpose of the demonstration project is to determine the effectiveness of the temperature control curtain in controlling the temperature of water releases from Shasta Dam, so as to protect and enhance anadromous fisheries in the Sacramento River and San Francisco Bay/Sacramento-San Joaquin Delta and Estuary

Fish and fishing.

PART 3—AUTHORIZATION AND SAVINGS CLAUSE**SEC. 431. AUTHORIZATION OF APPROPRIATIONS.**

(a) There are authorized to be appropriated a total amount not to exceed \$25,000,000 for section 412(1)(B) and section 414 of this subtitle.

(b) Unless otherwise specified, there are authorized to be appropriated such sums as may be necessary to carry out the remaining provisions of this subtitle.

SEC. 432. SAVINGS CLAUSE.

Nothing in this subtitle shall be construed as limiting or restricting the power and authority of the United States or—

(1) as affecting in any way any law governing appropriation or use of, or Federal right to, water on public lands;

(2) as expanding or diminishing Federal or State jurisdiction, responsibility, interests, or rights in water resources development or control;

(3) as displacing, superseding, limiting, or modifying any interstate compact or the jurisdiction or responsibility of any

Public lands.

Compacts between States.

legally established joint or common agency of two or more States or of two States and the Federal Government;

(4) as superseding, modifying, or repealing, except as specifically set forth in this subtitle, existing law applicable to the various Federal agencies; or

(5) as modifying the terms of any interstate compact.

Compacts
between States.

TITLE V—MIGRANT OR SEASONAL FARMWORKER ASSISTANCE

SEC. 501. EMERGENCY ASSISTANCE PAYMENTS TO MIGRANT FARMWORKER HOUSEHOLDS.

(a) **EXCLUSION OF ASSISTANCE.**—Section 5(k)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)(2)) is amended by—

(1) striking out “(E)” and inserting in lieu thereof “(F)”;

(2) striking out “(F)” and inserting in lieu thereof “(G)”;

(3) inserting the following new subparagraph after subparagraph (D):

“(E) emergency assistance for migrant or seasonal farmworker households during the period such households are in the job stream;”.

7 USC 2014 note.

(b) **EFFECTIVE DATE.**—(1) The amendments made by this section shall take effect on the date of enactment of this Act.

(2) The amendments made by this section shall not apply with respect to allotments issued under the Food Stamp Act of 1977 to any household for any month beginning before the effective period of this section begins.

SEC. 502. PRORATING BENEFITS OF MIGRANT OR SEASONAL FARMWORKER HOUSEHOLDS.

(a) **CERTIFICATION.**—Section 8(c) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)) is amended by—

(1) striking out “and (2)” and inserting “(2)”;

(2) inserting before the period at the end thereof the following: “, and (3) in the case of a migrant or seasonal farmworker household, the first month for which allotment is issued to a household that applies following any period of more than 30 days in which such household was not participating in the food stamp program after previous participation in such program”.

7 USC 2017 note.

(b) **EFFECTIVE DATE AND APPLICATION.**—(1) The amendments made by this section take effect on the date of enactment of this Act.

(2) The amendments made by this section shall not apply with respect to allotments issued under the Food Stamp Act of 1977 to any household for any month beginning before the effective period of this section begins.

29 USC 1672
note.

SEC. 503. ASSISTANCE TO LOW-INCOME AGRICULTURAL WORKERS.

Notwithstanding any other provision of law, for necessary services to be provided by agencies that have received funds under the Job Training Partnership Act to low-income agricultural workers who have been adversely affected by the drought of 1988, not to exceed \$5,000,000 shall be made available to be derived by transfer from the Disaster Relief Program of the Federal Emergency Management Agency. The funds shall be distributed by the Secretary of Labor within 30 days after the date of the enactment of this Act based on

an assessment of the number of low-income agricultural workers in each grantee's service delivery area who have lost income or are unable to work due to the drought, including those workers who have stayed at home in anticipation of work shortages. Emergency services to be provided under this section may include all types of assistance that the Secretary determines to be necessary. For the purposes of this section, a low-income agricultural worker receiving assistance must meet the income eligibility requirements of the section 402 program under the Job Training Partnership Act.

Approved August 11, 1988.

LEGISLATIVE HISTORY—H.R. 5015 (S. 2631):

HOUSE REPORTS: No. 100-800, Pt. 1 (Comm. on Agriculture) and No. 100-830 (Comm. of Conference).

SENATE REPORTS: No. 100-426 accompanying S. 2631 (Comm. on Agriculture, Nutrition, and Forestry).

CONGRESSIONAL RECORD, Vol. 134 (1988):

July 28, considered and passed House. S. 2631 considered and passed Senate.

July 29, passage of S. 2613 vitiated; H.R. 5015 considered and passed Senate, amended, in lieu of S. 2613.

Aug. 8, Senate agreed to conference report.

Aug. 9, House agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 24 (1988):

Aug. 11, Presidential remarks.