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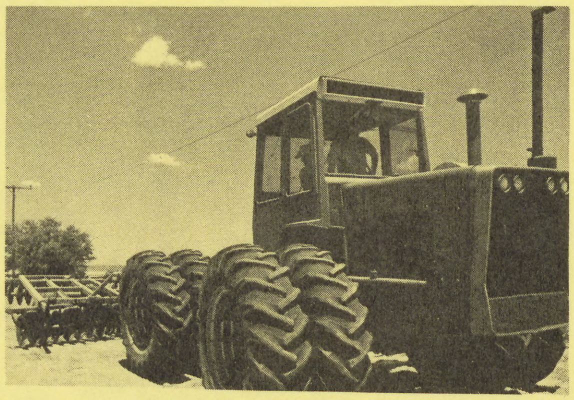

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FOOD AND AGRICULTURE LEGISLATION: A COMPARISON OF THE FOOD AND AGRICULTURE ACT OF 1977 AND PERMANENT STATUTES

by

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ABSTRACT

Authority for many of the agricultural and food related programs of the Department of Agriculture are contained in the Food and Agriculture Act of 1977. Most provisions of the 1977 Act expire with the 1981 crop, including those used to develop and implement price and income support programs for grains, cotton, soybeans, sugar, wool, and dairy products. Authorities for the Food Stamp and P.L. 480 programs also expire in the fall of 1981. Should the 1977 Act not be extended or replaced by the Congress, some program authorities would continue but in substantially altered form. The authority for these programs would be to so-called permanent legislation. This paper develops a comparison of program authorities under the 1977 Act and those that would be used under permanent legislation.

Preface

The Food and Agriculture Act expires in 1981. This Act provides the statutory authority for many of the agricultural and food related programs of the Department of Agriculture. Should the 1977 Act not be extended or new legislation not be enacted prior to October of this year, statutory authorities provided by the 1977 Act would no longer exist. Authorities for some programs, such as wheat and feed grains would continue to exist, but in substantially altered form.

Along with traditional concerns over price and income policy several other basic program questions would arise if permanent statutes had to be considered as the basis for food and agricultural programs. These would likely include the following:

- Can the Department implement a price support program under permanent legislation?
- Can a set-aside be implemented?
- Could the reserve program continue to operate?
- Would a limit on payments exist?
- Could the Department make storage facility loans?
- Would the Food Stamp Program expire?
- Could P.L. 480 continue to operate?

These and other issues are addressed by this paper. This report is a product of the ESS research agenda for the 1981 food and agriculture bill. It addresses the issue of farm and food program implementation under both the Food and Agriculture Act of 1977 and permanent legislation.

CONTENTS

INTRODUCTION

The statutory authorities for many of the agricultural and food related programs of the Department of Agriculture expire at the end of the 1981 crop year. Should these authorities not be extended or new legislation not be enacted by the Congress, these statutory authorities would no longer exist. Some program authorities would continue, but in a substantially altered form. The statutory basis for these programs is the so-called permanent or basic legislation. This paper provides a summary of the 1977 Act provisions relating to farm commodity, export, and food programs. It further summarizes programs as they would exist under the authorities and/or requirements of permanent legislation.

The 1977 Act--popularly known as the "farm bill"--is actually much more; it is omnibus legislation containing the following 19 titles:

I. Payment Limitations for Wheat, Feed Grains, Upland Cotton, and Rice
II. Dairy and Beekeeper Programs
III. Wool and Mohair
IV. Wheat
V. Feed Grains
VI. Upland Cotton
VII. Rice
VIII. Peanuts
IX. Soybeans and Sugar
X. Miscellaneous Programs
XI. Grain Reserves
XII. Public Law 480
XIII. Food Stamps and Commodity Distribution Programs
XIV. National Agricultural Research, Extension, and Teaching Policy Act of 1977
XV. Rural Development
XVI. Federal Grain Inspection
XVII. Wheat and Wheat Foods Research and Nutrition Education Act
XVIII. Department of Agriculture Advisory Committees
XIX. Effective Date

Titles XIV, XV, XVII, and XVIII are specifically not reviewed.

Since its passage, the 1977 Act has been amended by the Emergency Agricultural Act of 1978, Dairy Legislation of 1979, the Agricultural Adjustment Act of 1980, the Agricultural Act of 1980 and the Federal Crop Insurance Act of 1980. The statutory provisions which have been amended, suspended, or extended by the 1977 Act and subsequent legislation are generally contained in the Agricultural Adjustment Act of 1938 (as amended), the Agricultural Act of 1949 (as amended), the National Wool Act of 1954, the Agricultural Trade Development and Assistance Act of 1954, and the Food Stamp Act of 1964. If legislation is not enacted to extend or replace the 1977 Act, certain program authorities will revert to these pieces of legislation while other authorities or requirements will simply expire (Table 1).

Table 1. Status of Programs with Expiration of the 1977 Act.

Program	Revert to Permanent Legislation	Expire
Payment Limitation		X
Dairy		
Indemnity Program		X
Base Plans		X
CCC donations to military and VA hospitals		X
Minimum price suport	X	
Beekeeper Indemnity		X
Wool and mohair	X	
Wheat*	X	
Feed grains*	X	
Cotton*	X	
Rice*	X	
Peanuts	X	
Soybeans	X	
Sugar	X	
Set-aside		X
Normal crop acreage		X
Grain Reserves	X	
P.L. 480		X
CCC minimum sales price	X	
Storage facility loans	X	
Food stamps		X

*Although there is permanent legislative authority for the wheat, feed grain, cotton, and rice programs, authority for prominent features of existing programs, such as target prices and set-asides, would expire.

PROVISIONS OF THE 1977 ACT

Payment Limitation

The 1977 Act increased the payment limit to $40,000 for wheat, feed grains, and cotton in 1978, and scheduled subsequent annual increases until the limit reached $50,000 per person for wheat, feed grains, cotton and rice in 1980 and 1981. Payments for crop loss from natural disasters were specifically excluded from this limit. A 1980 amendment limited the disaster payments to $100,000 per person for the 1980 and 1981 crops.

There is no provision for a payment limit in the permanent legislation; all limits on producer payments expire with the 1981 crops.

Dairy and Beekeeper Programs

Dairy Base Plans

The authority for seasonal base plans will expire on December 31, 1981. There are 16 (of 47) milk markets which use some type of seasonal base plan. These seasonal base plans attempt to smooth out cyclical fluctuations in milk production and receipts of dairy farmers. Only 1 marketing area -- Puget Sound -- currently has a Class I seasonal base plan.

Milk Price Support

Permanent legislation specifies that the support price for milk be set between 75 and 90 percent of the milk parity price. The 1977 Act amended this to increase the minimum support price to 80 percent of parity, and mandated semi-annual adjustments of the support price. If this provision is not renewed, the minimum support price for milk would revert to 75 percent of parity.

Donations to Military and Veterans Hospitals

The 1977 Act contains authority for the Government to donate certain commodities to military and veterans hospitals. In the absence of this authority, these hospitals would need to turn to the private market for dairy products.

Dairy Indemnity Program

Expiration of dairy indemnity provisions would shift risk to dairy farmers for toxic or radiation contamination. Government outlays would be reduced.

Beekeeper Indemnity Program

Expiration of the beekeeper indemnity program would affect beekeepers whose hives become damanged due to chemical treatment of crops.

Wool

The declaration of policy, contained in Section 301, will not expire in 1981. The purpose of this section is to establish a framework which ensures that wool will be considered as an essential commodity.

Expiration of Section 302 would terminate support prices as presently calculated. Instead, the Secretary would have discretionary authority to initiate a price support program. Support prices would be computed as specified in Title III of the Agriculture Act of 1949 which places an upper bounds of 90 percent of the parity price for wool and sets a lower bounds of 75 percent, which may be violated if supply or budgetary considerations warrant such action. There would be no authority for direct payments to producers.

Wheat and Feed Grain Program

Current Provisions

Major changes in the 1977 Act for wheat and feed grain programs included: the elimination of historical allotments, the use of commodity-specific production costs to set and adjust target prices, and providing explicit authority for a farmer-owned grain reserve.

Commodity Loans. The 1977 Act continued the nonrecourse loan program. Minimum loan rates specified for wheat and corn for 1978-1981 were $2.35 and $2.00 per bushel, respectively. In addition, a provision was included to allow for downward adjustment of the wheat and corn loan rates whenever the national average market price for the marketing year is not greater than 105 percent of the loan and purchase rate. The maximum reduction in any one year is 10 percent; with an absolute minimum for wheat and corn of $2.00 and $1.75, respectively. The 1980 Act amended the minimum loans to $3.00 and $2.25 per bushel respectively. (The downward adjustment provision has never been used.) Loan rates for wheat may be set between the statutory minimum ($2.00 per bushel) and 100 percent of the wheat parity price.

Target Prices. The 1977 Act established target prices for the 1978 wheat and corn crops based on estimates of national average costs of production (Table 2). Total production costs were divided into components for variable, machinery ownership, general farm overhead, management, and land costs.

Target prices for each individual crop were to be adjusted for 1979 and subsequent years by a formula specifying a two-year moving average change in the unit costs, excluding the land and management components of cost.

The 1977 Act specified that target prices for sorghum, barley and oats if these crops are included in the feed grain program, should be set "fair and reasonable" in relation to the target price set for corn.

Adjustment of the target prices was amended by the Emergency Agricultural Act of 1978 and the Agricultural Adjustment Act of 1980. The 1978 Act provided authority to raise target prices to compensate producers for setting aside land from production. The 1980 Act discarded the formula and provided discretionary authority to the Secretary to adjust target prices considering changes in production costs, and authority to adjust target prices to compensate producers for not exceeding the NCA and for participation in any required set-aside.

Acreage Provisions. Program compliance and the distribution of benefits in the 1977 Act were based on current plantings, rather than on wheat acreage allotments and feed grain bases determined from planted acreages in a base period. The 1977 Act requires a national program acreage to be announced annually for each of the crops having a target price. The national program acreages for wheat and feed grains must be announced for the coming crop year by August 15 and November 15, respectively.

Reverting to Basic Legislation

If the current wheat program provisions are allowed to expire, allotments for each farm would have to be reestablished by county ASCS offices. This could prove difficult since allotment records have not been kept up to date since passage of the 1977 Act.

The Secretary would be further required to determine whether the total supply of wheat in the coming year (carryover stocks plus expected production) will be excessive. If so determined, then the Secretary must announce a marketing quota by April 15 for the marketing year beginning June 1982. 1/ The marketing quota must then be approved by two-thirds of the farmers voting in a referendum. If approved, marketing certificates (domestic and export) are distributed to farmers, and planting restrictions can be imposed.

The loan level for wheat accompanied by domestic certificates may be set (at the discretion of the Secretary) between 65 and 90 percent of the wheat parity price. (Based on the December 1980 parity price for wheat of $6.84 per bushel, the permissible range for the loan would be between $4.45 and $6.16 per bushel.) Loans for non-certificate wheat and wheat accompanied by export certificates would be set by the Secretary considering world market prices and the feed value of wheat in relation to feed grains, but not higher than 90 percent of parity.

If marketing quotas are not approved by farmers voting in the referendum, there would be no marketing quotas or certificates. Farmers who planted within their allotments would be eligible for price support loans at 50 percent of the parity price ($3.42).

1/ The wheat marketing year is June 1-May 30.

Table 2. Factors Considered in Establishing Wheat and Feed Grain Price and Income Support Levels

Programs Implemented from 1978-81	Basic Programs
<u>Reserve Trigger Prices</u> 1/ Call ° The reserve call price is established at 175 percent of the basic loan rate; 145 percent for feed grains.	° Authority for a farmer owned reserve would remain but special loan authority would not.
Release ° Designed to cover cost of production for most producers, including land charges based on the average acquisition value of land.	
<u>Target Price</u> ° Designed to cover production costs that the average producer cannot postpone.	° Price and income support would be achieved through marketing quotas and loan levels tied to a specified range of the parity price (the level would depend upon whether quotas were proclaimed by the Secretary and approved by producers).
<u>Special Loan Rate</u> ° Designed to cover out of pocket production costs for the average producer.	
<u>Regular Loan Rate</u> ° Based on the domestic and foreign supply and demand conditions for the crop, rates established for other competing crops, and the availability of funds.	
<u>Set-aside and Diversion</u> ° Implemented if the Secretary determines that the total supply of wheat and feed grains will be excessive; based on acreage planted, but producer does not need to reduce specific crop.	° Set-aside not specifically authorized; plantings may be controlled by individual farm allotments.
<u>CCC Resale Price</u> ° The CCC resale price cannot be less than 105 percent of the the call level whenever a grain reserve is in place; otherwise the resale price can be 115 percent of the loan. Grain for use in gasohol production may be sold at a lower price.	° The CCC resale price would be 105 percent of the loan rate.

1/ The statutes require a release price ranging between 140 and 160 percent of the loan.

If the Secretary does not proclaim marketing quotas, farmers would not be penalized for excess production. There would be no land use penalty, certificates, or diversion payments. Price support through loans and purchases would be set at 75 to 90 percent of parity for producers complying with their allotments.

Under basic legislation the Secretary has no authority to allow farmers to substitute wheat for feed grains, thus farmers would be more restricted in their plantings.

There would be no target prices or deficiency payments and no restrictions on planting under basic legislation for feed grains. The price of corn would be supported through nonrecourse loans or purchases at not less than 50 percent of parity nor more than 90 percent of the parity price, as determined by the Secretary so as to prevent excess accumulation of CCC stocks of corn. Other feed grains would be supported according to their feed value in relation to corn. (Based on the December 1980 corn parity price of $4.74 a bushel, the support price would be $2.37 to $4.27 a bushel.)

Feed grain production and utilization would in part be determined by response of wheat producers to the wheat program, since there would be no direct control over feed grain production. Thus, if wheat producers accepted marketing quotas, then additional acreage would be available for other crops including feed grains. But with expanded wheat acreage, less acreage would be available for other crops.

A comparison of the support prices under basic legislation with current loan and target prices is shown in table 3.

Table 3. Wheat and Feed Grains Program Price Under the 1977 Act and Basic Legislation

Commodity	1977 Act: 1980 Target price	1977 Act: 1980 Loan rate	Parity price: Dec. 1980	Support price under basic legislation
	(dollars/bushel)			
Wheat	3.63	3.00	6.84	3.42a 4.45b 6.16c
Corn	2.35	2.25	4.74	2.37a
Sorghum	2.50	2.14	4.46	2.25d
Barley	2.55	1.83	4.33	1.93d

a 50 percent of parity.
b 65 percent of parity.
c 90 percent of parity.
d Based on the feed value in relation to corn.

Upland Cotton

Current Provisions

During the 1978-81 crop years cotton producers could receive the following program benefits: nonrecourse loans, deficiency payments, acreage diversion payments, and disaster payments. Compliance with set-asides has been a condition of program eligibility. Benefits are based on current planted acreage rather than the former allotment system. The upland cotton loan rate is based on an average of past spot prices in the United States or current prices in foreign markets (Table 4). The loan rate cannot be less than the minimum rate specified by the Emergency Agricultural Act of 1978 (48.0 cents per pound). For 1978 and subsequent crop years, target prices have been adjusted by a cost of production formula similar to that used for wheat and feed grains. Minimum target prices for upland cotton were established at 52.0 cents per pound for the 1978 crop, and 51.0 cents per pound for 1979 and subsequent crops.

Table 4. Factors Considered in Establishing Upland Cotton Price and Income Support Levels

Programs Implemented from 1978-81	Basic Program
Target Price ° Initially established to cover a substantial portion of production costs. For the following years the price was adjusted to reflect changes in production costs.	° Price and income support would be achieved through allotments, marketing quotas, and loans. Loan level would be specified by the Secretary tied to a specified range of the parity price (the level would depend upon whether quotas were proclaimed by the Secretary and approved by producers).
Loan Rate ° Loan levels are established at the lower of (1) 85 percent of the average price for three years of the preceding five-year period, excluding the high and low years, in designated U.S. spot markets or (2) 90 percent of the average adjusted price for the fifteen weeks after July 1 of the five lowest quotas for SLM 1-1/16" cotton C.I.F. Northern Europe adjusted back to U.S. average location. In 1978 the Emergency Agricultural Act established a minimum loan level of 48 cents per pound.	° A nonrecourse loan program would continue.
CCC Sales ° CCC sales are authorized when the price for cotton is not less than 115 percent of the loan rate, adjusted for grade, quality, and location plus reasonable carrying charges.	° The CCC sale price would be 115 percent of the loan level, adjusted for grade, quality and location plus reasonable carrying changes.
Set-aside ° Implemented if the Secretary determines that the total supply of cotton will be excessive. Set-aside reduction is not to exceed 28 percent of the acreage planted for harvest during set-aside year.	° Set-aside not specifically authorized; planted acreage is controlled, when necessary, by individual farm allotments.
Diversion ° Implemented if the Secretary determines that diversion of acreage will be necessary to adjust cotton production to desirable goals. Payments are made to participants.	

Producers receive deficiency payments if the national average price received during the calendar year (including the first five months of the marketing year) is below the target price. The payment rate is the difference between the target price and the national average price received for cotton or the loan rate, whichever is higher. Deficiency payments made to a producer in any crop year are reduced by any disaster payment that was made, thus preventing producers from being paid twice for the same unit of production.

The 1977 Act provides for a special limited global import quota, to be proclaimed under certain conditions. The amount of the quota is to equal a 21-day domestic mill supply of cotton and will be opened up for any month in which the average spot market price of SLM 1-1/16" cotton exceeds 130 percent of the average spot market price for the preceding 36-month period. If a quota has been established under this provision during the previous 12-month period, the amount of the next quota will be limited to the smaller of 21 days of domestic mill consumption or the amount of cotton required to increase the cotton supply to 130 percent of demand.

The loan level for extra-long staple (ELS) cotton is between 150 and 200 percent of the loan level established for SLM 1-1/16" upland cotton.

Reverting to Basic Legislation

If existing legislation is allowed to expire, the allotment system and marketing quotas if approved in referendum (similar to quotas under the wheat and feedgrain programs) would be reinstituted under the permanent legislation authorized by the Agricultural Adjustment Act of 1938. This would restrict the entrance of new cotton producers and the total supply of cotton.

In addition, price supports would become the only remaining program benefit. Price supports would be based on a percentage of the parity price as stated in the 1949 Act legislation, rather than the current price support based on recent average market prices.

Set-aside and diversion authorities would also expire with the 1977 legislation. This would leave quotas as the only available means of controlling cotton production.

Rice

Current Legislation

The 1977 Food and Agriculture Act authorizes nonrecourse loans, deficiency payments, cropland set-aside programs, acreage diversion, and disaster payments for rice farmers. Program benefits have been available only to rice farmers who had acreage allotments before 1976.

Under the 1977 legislation, the target price for rice is established on the basis of national average costs of production, adjusted annually for changes in production costs (Table 5). Specifically, the annual change in the target price is determined by the change in variable, overhead, and machinery ownership costs during the previous two years. The 1978 season average price was less than the target price; $58 million in deficiency payments were made to producers having an allotment. No payments have been made since.

Loan levels are adjusted annually to maintain the same relationship to the target price as they had in the prior year--in effect, 75 percent of the target price existed when the Rice Production Act of 1975 was implemented. But, if the Secretary determines that the loan level would hinder rice exports, the level may be reduced to $6.31 per hundredweight. The loan rate for the 1980 crop was $7.12.

Permanent Legislation

For the 1978 through 1981 crops were rice producers could grow rice without or in excess of an acreage allotment. However, producers could receive

Table 5. Factors Considered in Establishing Rice Price and Income Support Levels

Programs Implemented from 1978-81	Basic Program
<u>Target Price</u> ° Initially established to cover a substantial portion of production costs. Following years the price was adjusted to reflect changes in production costs.	° Price and income support would be achieved through allotments, marketing quotas and loans. Loan level would be specified by the Secretary tied to a specified range of the parity price (the level would depend upon whether quotas were proclaimed by the Secretary and approved by producers).
<u>Loan Rate</u> ° Based on domestic and foreign supply and demand conditions for U.S. crop. ° Initially established at approximately 75 percent of target prices. Following years the loan rate was adjusted based on past years loan rate-target price ratio.	° A nonrecourse loan program would continue.
Release 1/ ° The reserve release price is established at 140 percent of the loan rate.	
Call ° The reserve call price is established at 160 percent of the loan rate.	
CCC Resale Price ° CCC sales are authorized at not less than 105 percent of the current support price, plus reasonable carrying charges.	° The CCC resale price would be 105 percent of the loan level plus carrying charges.
<u>Set-aside</u> ° Implemented if the Secretary determines that the total supply of rice will be excessive. Reduction of farm acreage allotments not to exceed 30 percent.	° Set-aside not specifically authorized; planted acreage is controlled, when necessary, by individual farm allotments.
<u>Diversion</u> ° Implemented if the Secretary determines that diversion will be necessary to adjust rice production to meet desired levels. Payments are made to participants.	

1/ The rice reserve is discretionary; authority to implement the reserve in the past has come from the Commodity Credit Corporation Charter Act.

program benefits only on allotment acres. Permanent legislation would restrict the production of rice by reverting to the use of allotments and marketing quotas if approved by referendum.

If the 1977 Act were to expire, provisions for target prices and loan rates, deficiency payments program, set-asides, and diversion would be eliminated. Marketing quotas would have to be applied to the 1982 crop.

The loan level would be tied to the parity price--a minimum of 65 percent of the parity price is required. Marketing orders would have to be accepted by the producers for a loan program. If this had been in effect for the 1980 crop, the minimum loan level would have been approximately $12.87 per hundredweight. Marketing quotas could be used to effectively provide any needed supply control. But, rice could be sold only by farmers with quotas, effectively reducing production by restricting it to only those producers with allotments. If quotas were reestablished on the basis of existing allotments, many farmers growing rice without allotments since 1975 would have to cease production.

Peanuts

Current Legislation

The Food and Agriculture Act of 1977 significantly changed the peanut program for the first time since the Agricultural Act of 1949. The support price had been maintained at 75 percent of the parity price from 1970 until the 1977 Act was adopted. The change was necessitated by surplus production and large and growing Government costs.

The 1977 legislation created a two price program -- one support price for "quota peanuts" and one for "additional peanuts." The minimum allotment acreage was increased by 4,000 acres to include acreage that had been used to produce peanuts for several years but had never been officially included in the program base. Each allotment holder was given a poundage quota, and the minimum support was set at $420 per ton. The support price for quota peanuts is determined by the Secretary taking into consideration the eight supply and demand factors given in the 1949 Act as well as changes in the Index of Prices Paid by farmers for production items, interest, taxes, and changes in variable costs, machinery ownership costs, and general farm overhead costs for the previous calendar year. Production within an allotment but in excess of the quota ("additional peanuts") is supported at a lower rate determined by considering the expected crush and export potential. The minimum national quota of 1.68 million tons for 1978 could be decreased up to 5 percent annually to a minimum of 1.44 million tons by 1981.

Permanent Legislation

Expiration of the 1977 Act would result in an increase in the average price support level to $594 per ton. There would be no poundage quota, and all peanuts produced within the allotment would receive the higher support.

The 1982 program would begin operation with an announcement of the national marketing quota for the next calendar year. If two-thirds of the farmers approved the quota in a voting referendum, it would be effective for three calendar years, with marketing penalties for excess marketed peanuts or for farms growing peanuts without an allotment. If the quota was not approved there would be no penalties and the support price would drop from a range of 75 to 90 percent of the parity price.

Soybeans and Sugar

The 1977 Act requires the Secretary to establish a loan and purchase program for soybeans. The Secretary has had discretionary authority to implement such a program since 1949, but had not been required to do so before implementation of the 1977 Act. If the 1977 Act expires, the authority for the program will remain. Under the 1977 Act, the Secretary has discretionary authority to set loan levels; a level of $5.02 per bushel was established in 1980. The loan and purchase level must be set in appropriate relation to competing commodities after taking into consideration the domestic and foreign supply and demand situations. In addition, Section 203 of the Agricultural Act of 1949 states that whenever the price of cottonseed or soybeans is supported, both must be supported at a level which "will cause them to compete on equal terms on the market". The 1977 Act suspended this provision. The 1977 Act also prohibited a required set-aside for soybean program eligibility and does not authorize soybean set-aside payments.

The 1977 Act established a loan or purchase program for the 1977 and 1978 crops of sugar beets and sugar cane at a range between 52.5 and 65 percent of the parity price, but no lower than 13.5 cents per pound, raw sugar equivalent. The Secretary was also instructed to establish a minimum wage rate for workers engaged in sugar production. Since the 1977 Act was passed, the International Sugar Agreement has been enacted. Section 201 of the Agricultural Act of 1949 could be used to implement a price support program if the 1977 Act expires.

Grain Reserves

The 1977 legislation mandates a producer-held storage program for wheat and authorizes a reserve program for feed grains. This is accomplished through an extended price support loan program of 3 to 5 years duration. Producers receive storage payments and the Secretary may adjust or waive interest charges on farmer-held reserves. Interest is required to be waived for 1980 and 1981 crops of feed grains and wheat in the reserves.

The size of the wheat reserve is statutorily specified as 300 to 700 million bushels. The upper limit can be extended to accomodate an international reserve for food security. For feed grains, reserve quantities were not specified.

The release price for wheat is specified to be between 140 and 160 percent of the current loan rate for wheat and at the discretion of the Secretary for feed grains. Storage payments may be discontinued when the price reaches the administrations specified release level. Additional charges may be assessed against producers redeeming reserve loans before the market price reaches the release price.

The loans may be "called" (require payment or for forefeiture) when the market price reaches 175 percent of the current loan level for wheat and the level determined by the Secretary for feed grains. The 1980 Act grants the Secretary broader authority to establish release and call levels.

The 1977 legislation continued the authority for a disaster reserve and authorized an emergency feed program designed to preserve and maintain livestock in any area of the United States in case of natural disaster.

The Secretary is required to make storage facility loans available to producers of dry or high-moisture grain, soybeans, rice, and high-moisture forage and silage. The minimum loan is 75 percent of total construction costs; the maximum repayment period is 10 years and the interest rate is based upon the rate charged the CCC by the U.S. Treasury for the funds.

The 1977 Act encouraged the President to enter into negotiations with other nations to develop and maintain an international system of food reserves. These reserves would be used for humanitarian food relief.

If the 1977 Act expires, the authority to establish a grain reserve would continue. But, specific program requirements, such as the limitation on reserve size and CCC resale price, which are spelled out in the 1977 Act would no longer exist.

Normal Crop Acreage Provision

If the normal crop acreage (NCA) provision expires there would be no immediate effect, since the program eligibility requirement of staying within the normal crop acreage has been suspended for 1981 crops. Without the NCA requirement farmers can plant as many acres as they choose and still receive program benifts.

Food Stamp and Commodity Distribution Programs

The permanent legislation for the Food Stamp Program is the 1977 Act. The Food Stamp Act of 1964, the original authorizing legislation, was amended in the 1977 Act as "The Food Stamp Act of 1977", thus replacing the 1964 Act in its entirety.

Expiration of the 1977 Act would terminate the Food Stamp Program, now serving nearly 22 million persons at an estimated FY 1980 cost of $10 billion.

The Commodity Distribution Programs were amended in the 1977 Act to allow the Secretary to purchase commodities for distribution to summer camps, the Trust Territory of the Pacific Islands, and Native Americans. Further, a new section was added allowing the States to receive up to a 15 percent reimbursement for administrative expenses incurred in implementing such programs.

The Commodity Distribution Programs were authorized by Sec. 4(a) of the Agriculture and Consumer Protection Act of 1973 which provided authority for the Secretary to use funds to carry out Section 32 of the Agricultural Act of 1949—to purchase commodities for donation to maintain a level of food assistance. If the 1977 Act expires, the program would terminate.

P.L. 480 (Food For Peace)

The largest portion of America's foreign food assistance is provided under the authority of Public Law 480, the Agricultural Trade Development and Assistance Act of 1954. P.L. 480—popularly referred to as the Food for Peace Program—has four titles. Title I grants the Commodity Credit

Corporation (CCC) authority to finance the sale of U.S. agricultural commodities to developing nations on concessional credit terms. Title II provides the President authority to buy American farm products and donate them to American voluntary agencies, the World Food Program, other international agencies, or to foreign governments for distribution to needy persons. Under Title III, CCC may also utilize the authority of Title I to finance the purchase by foreign countries of agricultural commodities. However, under Title III programs, the foreign country's obligation to repay CCC is reduced to the extent that generated local currencies are used for agreed upon developmental projects in the foreign country. Title IV contains general provisions applicable to all other titles. The authorization to enter into new agreements or other programs of assistance under for P.L. 480 will expire on December 31, 1981.

APPENDIX

TITLE I -- PAYMENT LIMITATIONS

1977 Act Provisions	Amendments Since 1977	Permanent Legislation
1978-81 Payments		
Limits		
1980 and 1981 per person limit for wheat, feed grain, cotton and rice set at $50,000.	None	None
Exclusions		
ELS cotton and wool are not covered by limits.		None
Beginning in 1978 payments for disaster, certain resource adjustments, and public access for recreation.	The Agricultural Adjustment Act of 1980 limited total disaster payment to $100,000 per person.	None
Reports		
Report on family farms required to be submitted to the Congress by July 1.	None	None

Provisions	1977	Permanent Legislation
Base Plans Dairy base plan expire on December 31, 1981 except for Class I base plans issued before Dec. 31, 1981; Class I base plans will not be effective beyond Dec. 31, 1984.	None	Expires on dates listed all types of base plans will be affected.
Producers-Handlers Legal status of producer-handlers affirmed.		Does not expire
Price Support Required price support of milk to be not less than 80 percent of the parity price through March 31, 1979. Support provided through purchases of dairy products.	80 percent minimum required support of parity extended until Sept. 30, 1981 (P.L. 96-127).	Requires minimum support of 75 percent of parity maximum at 90 percent.
Semiannual Adjustments Required the support price of milk to be adjusted semiannually through March 31, 1981. Secretary has authority to make adjustments on the remaining quarters in each marketing year. 30 days notice of a change mandated.	Semiannual adjustment authority extended until Sept. 30, 1981 (P.L. 96-127).	None
Military and Veterns Hospitals The CCC will supply military and veterans hospitals dairy products from aquired stocks, until Dec. 31, 1981.	None	None
Dairy Indemnities The dairy indemnity program is extended to Sept. 30, 1981. Secretary is authorized to make indemnity payments for milk or cows producing milk if the producer must remove milk from the market because of nuclear radiation or residues from chemicals or toxic substances, which occurred at no fault of the farmer. (Not applicable if Secretary determines other legal recourse is available)	None	None
Beekeeper Indemnities Beekeeper program to pay producers for hive damage caused by chemical treatment to agricultural land. Extended through Sept. 30, 1981.	None	None

1977 Act Provisions	Amendments Since 1977	Permanent Legislation
Declaration of Policy (Sec. 301)	None	Does not expire.
Price Supports (Sec. 302) Extend price supports for wool and mohair to Dec. 31, 1981.	None	Section 302 expires Dec. 31, 1981. At that time the Agricultural Act of 1949 (Title III) authorizes loans, purchases and other price support operations for wool and mohair. The limits of support are 75 to 90 percent of parity depending on the percentage of normal supply at the beginning of the marketing year. The lower bounds may be violated if supply or budgetary considerations warrant such action. There is no authority for payments to producers.
The support price for shorn wool will be 85 percent of 62 cents times the ratio of the average of the parity index for the three calendar years pre-ceeding the calendar year in question to the average parity index for calendar years 1958, 59, 60--rounded to the nearest full cent.	None	None
Support prices for pulled wool and mohair will be such to maintain normal marketings of pulled wool and maintain the same percentage of parity for mohair as for shorn wool--no more than 15 percent above or below the parity percentage for shorn wool. At Secretary's discretion.	None	None

TITLE IV -- WHEAT

1977 Act Provisions	Amendments Since 1977	Permanent Legislation
Loans and Purchases The Secretary shall make available to producers loans and purchases not less than $2.25 per bushel for the 1977 crop and $2.35 per bushel for the 1978 - 81 crops. However, loans and purchases cannot exceed 100 percent of parity	None	The Secretary must proclaim whether marketing quotas will be in effect for a crop year by no later than April 15 of the previous year (that is by April 15, 1981, for the 1982 crop year) - Quotas would be proclaimed if the Secretary determined that, in the absence of quotas, the total supply of wheat in the coming market year beginning in the next market year would be excessive. - A national wheat allotment must be announced regardless on whether quotas are proclaimed.
Target Prices The Target price shall be 2.90 per bushel for the 1977 crop and $3.00 per bushel for the 1978 crop. For the 1979 crop, the established price shall be $3.00 per bushel adjusted to reflect any change in the two year moving average cost of production. For the 1980 and 1981, crops, the established price shall be the established price for the previous year's crop adjusted to reflect and change in the moving average cost of production. Production cost components used to measure changes are variable, machinery ownership, and farm overhead.	Emergency Ag. Act 1978 gave the Secretary discretionary authority to increase the target price for wheat, feed grains and upland cotton In 1979, the Secretary was given authorization to increase target prices by 7 percent -- target price for wheat increased from $3.40 per bushel in 1980 to $3.63 in 1980 for farmers who did not exceed their normal crop acreage.	If marketing quotas are not proclaimed program provisions are: - No marketing quotas are not penalities on excess production. - No land use penalty. - No wheat certificates. - No diversion payments. - Price support through loans, and purchases is at 75 to 90 percent of parity to producers who comply with their allotment.
National Program Acreage The Secretary shall proclaim a National program acreage for each of the 1978 through 1981 crop of wheat. The proclamation shall not be made later than August 15 prior to the crop harvested the succeeding calender year.	In 1980 the Secretary was also given authority to require farmers who want program benefits for any target price crops in 1980 and 1981 -- including grains, (wheat) cotton, and rice--to comply with normal crop acreage limits on their farms. This requirement was imposed for the 1980 target price crops. If the Secretary imposed a NCA requirement for any crops in 1980 and/or 1981, he would also have authority to grant further increases in target prices.	If marketing quotas are proclaimed, a national referendum of wheat farmers must be held no later than August 1 of the year prior to the marketing year to which quotas will apply.
Set-aside The Secretary shall provide for set-aside of cropland if the Secretary determines that total supply of wheat will be excessive. Producers must set-aside an acreage of cropland equal to a specific percentage of the wheat acreage planted for harvest.	The Agricultural Appropriations Act suspended all NCA requirements for the 1981 crop.	If marketing quotas are approved by two-thirds of the farmers voting in referendum, program provisions are: - Marketing quotas are in effect. - A land-use penalty for failure to make mandatory div- is applicable, diversion is mandatory if allotment is less than 593 million acres. A wheat marketing certificate program is in effect. - Loan level on wheat accompanied by domestic certificates will not be less than 65 percent or more than 90 percent of parity. - Loans for new certificate wheat and wheat accompanied by export certificates are to be set at a level not in excess of 90 percent of parity, considering world market prices and feed value relationships to to feedgrains. - Domestic certificate value value equals the difference between price support on wheat accompanied by domestic certificates and wheat not accompanied by certificates. - Variable export certificates are required of exporters with net proceeds payable to cooperators. - Processors are required to pay full value of domestic certificates. No diversion payments.
Diversion The Secretary may make land diversion payments if land diversion is necessary to assist in adjusting the total national acreage of wheat to desirable goals.	None	If marketing quotas are dissaproved in referendum, program provisions are: - No marketing quotas and no penalties for excess production. - No land use penalty. - No wheat certificates. - No diversion payments. - Price support through loans and at 50 percent of parity to producers who comply with their allotments.
Prevented Planting Disaster Payments If the Secretary determines that producers are prevented from planting any portions of 1978 and 1979 the acreage intended for harvest because of drought, flood, or other natural disaster, the Secretary shall make preventive planting disaster payments.	Agricultural Adjustment Act of 1980 and Sec. 201 Federal Crop Insurance Act extended prevented through the 1981 crop.	No authority to substitute wheat for feed grains under any of the foregoing alternatives.

1977 Act Provisions	Amendments Since 1977	Permanent Legislation
<u>ield Disaster Payments</u> ective with the 1978 and 1979 crops, the Secretary determines that because drought, flood, or other condition ond the control of producers, the total ntity of wheat which the producers are e to harvest is less than the result of tiplying 60 percent of the farm program ment yield by the acreage planted for vest, the Secretary shall make farm aster payments to the producers.	In 1979, disaster payments to producers of grains, cotton, and rice in 1980 was extended, but with a $50,000, payment limit per producer. These payments were also extended through the 1981 crop.	None
<u>lly Planted Crop Acreage Reductions</u> never a set-aside is in effect for one or more of 1978 through 1981 crops of wheat, feedgrains, nd cotton and rice, the Secretary may require, condition for eligibility for loans, purchases, payments under the Agr. Act of 1949, as amended, the acreage normally planted to crops designated he Secretary, adjusted as deemed necessary by the etary to be fair and equitable among producers, shall duced by the acreage of set-aside or diversion.	None	None

TITLE V — FEED GRAINS

1977 Act Provisions	Amendments Since 1977	Permanent Legislation
National Program Acreage The national program acreage represents the estimated number of harvested acreas needed to meet domestic and export need plus any desired change in stocks — must be announced by November 15 of the preceding year but can be later adjusted for most recent information.	None	None
Program Allocation factor Determined by dividing the final national program acreages by the number of harvested acres — the range by law, is limited between 80 and 100 percent. The allocation factor is used to determine farm program acreages.	None	None
Farm Program Acreages Determined by multiplying the allocation factor times the acreage planted for harvest — this determines the number of acres eligible for payment.	None	None
Recommended Voluntary Diversion Farmers who reduce their acreage planted for harvest from the previous year by the percentage recommended by the Secretary (when he announces national program acreages) will receive any deficiency payments on all harvested acreage.	None	None
Target Prices The target price for 1978 crop corn was set by law at $2.10; this price was based upon national average production costs, though not set equal to cost of production (the price selected covered all components of costs including a 3.5 to 4 percent return on the current value of land. The 1978 target price for sorghum and barley were to be established using (covering) the same components of costs as for corn.	The Emergency Agricultural Act of 1978 amended the 1977 Act to give the Secretary authority to increase feed grain target prices whenever a set-aside is in effect for wheat, feed grains, or cotton. The Agricultural Adjustment Act of 1980 also authorized an increase in target prices if farmers comply with NCA and set-aside. The Agricultural Act of 1980 increased the target prices for 1980 by 7 percent and authorized the Administration to approve further increases for 1981.	
Target Price Adjustment 1979-81 The target price for all feed grains was to be adjusted to reflect any change in a 9-year moving average of variable, machinery ownership, and general farm overhead costs.	None	
Price Supports Loans The level of the loan rate for corn for 1978-81 was left largely to the discretion of the Secretary, except the minimum loan was established at $2.00 per bushel. The loan rate for other feed grains was to be established at a "fair and reasonable" level in relation to corn, taking into account feed value and other factors.	The Agricultural Act of 1980 increased the minimum loan for corn to $2.25 for 1981; set special loan for corn in the farmer-owned reserve ($2.40)	Under the Agricultural Act of 1949 price support for corn would be made available through loans and purchases at levels of not less than 50 percent nor more than 90 percent of parity as the Secretary determines would result not result in increasing CCC stocks of corn. Loan levels for other grains based upon corn.
Variable Loan Minimum To maintain domestic and export markets, the Secretary was given the flexibility to lower loan levels up to 10 percent for the next year if the price in the current year is not more than 105 percent of the current year's loan (but not less $1.75 per bushel for corn).	None	None
Deficiency Payments Payments are required to eligible feed grain producers in any year in which the national average price received by farmers (for the first 5 months of the marketing year) is below the target price. The payment rate is the smaller of the differences between the target price and the market price or the target price and the loan rate.	None	None
Proven Yields Feed grain producers may "prove" their farm program yields.	None	None
Set-aside Authority for a cropland set-aside based on a percentage of the current year's planted acreage is given; under a total farm provision (TITLE X) the Secretary may also require that acreage normally planted to crops designated by the Secretary must be cut by the amount of set-aside or diversion. The Secretary may also make direct payment for cropland diverted from production.	The Agricultural Adjustment Act authorized Secretary to require farmer compliance with their normal crop acreage in order to be eligible for program benefits; an amendment to the 1981 agricultural appropriations bill suspended the NCA requirement for 1981 crops.	None

1977 Act Provisions	Amendments Since 1977	Permanent Legislation
<u>1978-81 Crop Years</u> No marketing quotas	None	Agricultural Adjustment Act of 1938; if the Secretary does not proclaim marketing quotas then: (a) No marketing quotas and no penalties on excess production. (b) No diversion or price support payments. (c) Price support to cooperators at 65 to 90 percent of parity, as determined by the Secretary, and the noncooperators not to exceed the rate of cooperators. The Secretary can require compliance with allotments for support. If marketing quotas are proclaimed and approved by two-thirds or more of the farmers voting in a referendum, program provisions are: (a) Marketing quotas and acreage allotment (minimum of 16 million acres) (b) No diversion or price support payments. (c) Price support to producers who comply with their allotments through loans or purchases at not less than 65 percent or more than 90 percent of parity, as determined by the Secretary. If marketing quotas are disapproved in referendum, program provisions are: (a) No marketing quotas and no penalties on excess production. (b) No diversion or price support payments. (c) Price support through loans or purchases to producers who comply with their allotments at 50 percent of parity.
<u>Farm Program Acreages</u> Farm program acreage provisions for cotton are identical to those for wheat and feed grains; current planted acreage is used as the basis for benefit distribution and production adjustment.	None	Minimum 16 million acres total national allotment and farm allotments suspended by the 1977 Act will become applicable after the 1981 crop.
<u>Target Prices</u> Target prices for the 1978-81 crops of upland cotton were to be adjusted, by a cost of production formula identical to the formula used for wheat and feed grains; the 1977 Act established a minimum target price of $52.0 cents for 1978 and $51.0 cents for 1979-81.	The Emergency Agricultural Act of 1978 gave the Secretary the authority to increase the target price whenever a set-aside was in effect. P.L. 96-213 raised the target price by 7-percent for 1980 and gave the Secretary authority to approve a further increase for 1981.	None
<u>Price Support</u> Loan levels established at the lower of (1) 85 percent of the four preceding marketing years average price at acreage location in the U.S. or (2) 90 percent of the average adjusted price for the first two weeks of October of the five lowest quotas for SM 1-1/16 inch cotton C.I.F. Northern Europe. The loan level must be announced by November 1. 10 month loan period continued; eight month extension available except when the average price is 130 percent of the average price for the perceding 36-month period.	Emergency Act of 1978 established the minimum loan level of 48 cents per pound. The 85 percent option would be calculated by finding the average price in designated U.S. spot markets during 3 years of the preceeding 5-year period, excluding the lowest and highest years. The 90 percent determination will be based on the fifteen week period following July 1, with the prices adjusted back to U.S. average location.	The above illustrated provision of the 1938 Act will again become effective.
<u>Special Import Quota</u> A special import quota for a 21-day domestic mill supply of cotton will be opened up for any month when the average price exceeds the 130 percent of the average spot market price for the preceeding three years (the special quota cotton will have 90 days to arrive in the United States.)		None
<u>Price Support on Cottonseed and Soybeans</u> None		The 1949 Act requires that whenever the price of either soybeans or cottonseed in supported, the other must be supported at a level that would cause them to compete on equal terms in the market.
<u>CCC Sales Price Restriction</u> Not less than 115 percent of the loan rate with adjustments for grade, quality, location, etc.		With the 1949 Act the CCC Sales Prices would revert to 105 percent of the loan.
<u>Skip-Row Provisions</u> The 1977 Act continued rules in effect for the 1971-1977 crops through the 1981 crops; a general rule is that only land actually planted to cotton is counted as cotton land in determining program compliance.		General authority to determine compliance would revert to Section 374 of the Agricultural Adjustment Act of 1938; specific skip-row provisions are not given.
<u>Set-aside</u> Set-aside based on current planted acreage, but cannot exceed 28 percent of the acreage planted to cotton.		None
<u>Definition of Cooperator</u> A producer on a farm who has set-aside any required acreage.		A producer whose acreage planted to a commodity does not exceed the farm acreage allotment.
<u>Normal Crop Acreage</u> The Secretary may require that acreage normally planted to crops designated by the Secretary be reduced by the amount of set-aside or diversion	The 1980 Act authorized the Secretary to require compliance with NCA's for eligibility; this requirement was later suspended by new legislation.	

TITLE VII — RICE

1977 Act Provisions	Amendments Since 1977	Permanent Legislation
<u>Allotments</u> Acreage Allotments 1978 through 1981 crops — minimum 1.8 million acres.	None	Secretary required to announce acreage allotment each year which will produce enough rice, along with carryin stocks from the preceeding crop, to have adequate supply to meet domestic consumption, exports and an adequate carryover Minimum acreage allotment—1,652,596.
<u>Target Prices</u> Target price adjusted by a two year moving cost of production. Variable machinery ownership, and general overhead costs to be used.	None	No target prices.
<u>Loans</u> Loan level to be adjusted by changes in the target price. Minimum level—$6.31.	None	Loan level support is to be not less than 65 percent of the parity price. Acceptance of the marketing orders by producers is necessary for the program to become effective.
<u>Deficiency Payments</u> Deficiency payments based on the target price and either the loan level or the national average market price, whichever is higher.		No deficiency payments.
<u>Disaster Payments</u> Payment level determination = portion or alloted acres planted in rice times yield. Disaster payments 1978 and 1979 only.	Agricultural Adjustment Act of 1980, extended disaster payments through 1980. Federal Crop Insurance Act of 1980, extended disaster payments through 1981.	No disaster payments.
<u>Set-aside</u> Set-aside authority — 30 percent of acreage maximum.	None	No set-aside provisions.
<u>Diversion</u> Land diversion program authority.	None	No diversion authority.
		Other provisions which will expire, but were not affected by the 1977 Act: No payment limitations; no sale or lease of allotments; rice research fund authority—cancelled; no crop substitution for rice except peanuts, tobacco, and ELS cotton.
<u>Marketing Quotas</u> No marketing quotas for 1978 to 1981 crops.	None	If total supply exceeds normal supply marketing quotas are mandated. (Total supply = carryover for the marketing year + estimated production during the calendar year in which the marketing year begins + estimated imports.) (Normal supply = domestic consumption for the preceeding marketing year + estimated exports for the marketing year in question + 10 percent carryover allowance.) If quotas are are approved by at least two-thirds of the producers marketing quota penalities will be effective and non-recourse loans with support prices at 65 to 90 percent of parity. If quotas are rejected the price support loans will be at 5 percent of parity and producers must plant within allotments to be eligible. If there are no quotas, the price support loans will be 65 to 90 percent of parity with eligibility dependent on allotments. New producers will be ineligible and cannot establish an allotment history.
<u>Cooperator Defined</u> Cooperator definition extended through 1981 crop — must <u>have</u> an allotment	None	Producer cannot <u>exceed</u> the allotment.
<u>Conforming Ammendment</u> Conforming amendment to match some specific phrases in 77 Act with previous acts.	None	None

1977 Act Provisions	Amendments Since 1977	Permanent Legislation
National Acreage and Poundage		
Minimum of 1,614,000 national acreage.	None	Minimum of 1,610,000 national acreage.
National poundage quota.	None	None
Farm poundage quota.	None	Market all peanuts produced within allotment at one price.
Additional peanuts - those in excess of poundage quota, but within allotment.	None	None
Price Support		
Average price support level of minimum of $420 per ton on quota peanuts. Additional peanuts support based on expected world and crushing markets conditions.	None	Average support level of 75 to 90 percent of parity minus deductions for service charges.
Additional Peanuts		
Use of additional peanuts restricted to crush and export.	None	Not applicable.
Additional peanuts maybe produced under contract for crush or export if contract is approved by June 15.	None	Not applicable.
Export Prices		
Minimum prices established for export sale of CCC peanuts depending on whether they are quota or additional.	None	Export of CCC peanuts at a minimum price of 100 percent of support level plus CCC costs.

TITLE XIII — FOOD STAMP & COMMODITY DISTRIBUTION PROGRAMS

1977 Act Provisions

ɔishment of the FSP
household shall be eligible both
r food stamps and receive federally
nated foods - except in the case
disaster relief or the commodity
pplemental food programs.

igible households defined by:
income eligibility
standard deductions
asset limitations

gibility disqualifications
for fraudulent abuse
for incooperation with
state agency in supplying
information.
if households have persons
fit for work who refuse to
look for work.
college students who do not meet
eligibility standards.
for illegal alien status.

nce and Use of Coupons

ue of the Allotment
equal to cost of thrifty
food plan minus 30 percent of
household income .
minimum allotment of $10 for land
2-person households.
not be counted as income for and
state or federal purpose.

al of Retail Food Stores and
holesale Food Concerns
mption of Coupons
nistration
tate agency shall administer
rogram pursuant to federal
ules and regulations.
andatory outreach
iterature distributed

ty Distribution Programs
on 1304 of the 1977 Act
ed the Secretary the authority
tend the purchases and
ions of commodities to:
tive Americans
mer camps with children under
years old;
Trust Territories of the
cific Islands.
could receive up to 15 percent of
strative expenses incurred as a result of
[illegible] commodity distribution programs.

Amendments Since 1977

P.L. 96-58, 1979 Amendments:
Restored cuts in benefits for
household containing elderly,
blind, or disabled persons
with high shelter and medical
costs.

Anti-abuse amending provisions
Repayment for fraudulent conduct:
Any individual disqulified for
participation cannot become re-
eligible without first agreeing
either to an appropriate reduction
in benefits or repayment of benefits.

State share of recoveries:
States may retain 50 percent of all
funds recovered through prosecution
of individuals who fraudulently
obtained allotments.
Denial of benefits to certain house-
holds when 1 person is involved in a
labor management dispute unless all the
eligibility requirements are met.

P.L. 249: Food Stamp Act Amendments of 1980:

Anti-abuse provisions.
Cross-checking system to detect
over payment of fraud.

Cost-reducint features:
annual indexing (as opposet to
semi-annual) of thrifty food
removal of most college students
use of retrospective accounting
require use of photo identification
financial incentives for states to
reduce error rates.
tightened the standard & shelter
deductions.

Authorizes food stamps for women and
children in homes for battered women
and children.
Lowered the ceiling on liquid assets.
Allows Secretary to seize property
used to acquire illegal stamps.
Money given by States to needy
families for heat would not be
counted as income.
Extended the workfare projects.

Commodity Distribution Programs

Permanent Legislation

None

1973 Agricultural and
Consumer Protection Act

TITLE X -- MISCELLANEOUS

1977 Act Provisions	Admendments Since 1977	Permanent Legislation
<u>rmal Planted Acreage</u> Eligibility for program benefits ay be tied to a reduction in ormally planted acreage due to a set-aside or diversion.	Agricultural Admustment Act Act of 1980; for one or more of the 1980 or 1981 crops of wheat, feedgrains, upland cotton, and rice the Secretary may require producers not to exceed the acreage on the farm normally planted to crops for program eligibility. Agriculture Act of 1980, suspended the NCA requirement for the 1981 crop.	Will expire with 1982 crop.
<u>es Suspension</u> xport sales suspension caused y a short supply to nations till receiving other U.S. oods will trigger a 90 percent arity price loan rate; to continue ntil the suspension is lifted. ommodities included -- wheat, orn, grain sorghum, soybeans, ts, rye, barley, rice, flax- eed, cotton.	None	Does not expire.
<u>tional Price Supports</u> ice supports available for 1978 rough 1981 crops of flaxseed, y edible beans, gum navel ores; 1979 through 1981 crops of gar beets and sugar cane. 50 llion dollar outlay maximum r crop in any year.	None	Price support authority for listed crops expires starting with the 1982 crop.
<u>g and Grazing</u> eat, feedgrain or upland cotton acres r harvesting may be planted in wheat other commodities, except corn and in sorghum, and used only for grazing haying purposes. Set-aside acres are luded. Maximum 40% or 50 acres chever is greater. Payment = program ment yield times number of included es times rate of payment as determined the Secretary.	None	Program authority expires with the 1982 crop.
<u>Sales Report</u> datory daily export sales reports to made available to the public.	None	Does not expire.
<u>ts</u> perts included in the Agricultural stment Act.	None	Does not expire.

TITLE II — GRAIN RESERVES

1977 Act Provisions	Amendments Since 1977	Permanent Legislation
Authority Reserve required for wheat authorized for feed grains, participation in annual programs required for eligibility.	P.L.96-234 authorized entry into the reserve of 1979 crop grain from farms which did not comply with set aside program.	Specific and General power granted the CCC by the Commodity Credit Corporation Charter Act were used as the basis from which to implement a farmer-held reserve of grains prior to enactment of 1977 legislation. These authorities would remain. But "special loans" presumedly would not be available.
Mechanism Allowed for loans of 3-5 years duration.	P.L.96-494 provided that "Special Higher Price Support" loans be made available to producers under the reserve program for 1980 and 1981 wheat and feed grain crops.	None
Quantity Quantity of wheat in reserve to range between 300 and 700 milion bushels; no minimum quantity for feed grains—Secretary may either repeal or use an extended loan program.	None	None
Incentives To encourage participation, the Secretary may pay annual storage costs as well as waive or adjust interest rates.	The Agricultural Act of 1980 also required the Secretary to waive interest rates on 1980 and 1981 wheat and feed grain crops.	Incentives would remain as CCC has offered similar incentives under past "reseal" programs.
Trigger Price Levels Whenever the national average price reaches the release level (between 140 and 160 percent of the loan), the Secretary may discontinue storage payments and charge interest to encourage redemption of loans. Redemption of the loan before the average price reaches 140 percent of the loan subjects the producer to a penalty determined by the Secretary. When the national average market price reaches 175 percent of the loan the Secretary may recall the loan. Trigger levels for feed grains are discretionary.	None	Trigger prices would remain.
CCC Resale Price The resale price for Government-owned stocks is set at 150 percent of the loan when a similar grain is in reserve; otherwise the resale would be 115 percent of the current loan.	Sale of USDA-owned corn authorized for use in producing motor fuel at levels not less than the reserve release for corn or the fuel-conversion value equal to the value of unleaded gasoline.	Under Section 407 of the Agricultural Act of 1949, the CCC resale price would revert to 105 percent of the loan rate.
Disaster Reserves If wheat, feed grains, or soybeans are not available through the price support program they may be purchased through CCC, to lessen the impact of natural disasters.	None	None
Emergency Feed Program Eligible producers may be reimbursed for up to 50 percent of the cost of feed purchased during an emergency resulting from a natural disaster.	None	None
Farm Storage Facility Loans Secretary required to make facility loans to producers of high moisture grains, soybeans, rice, and high moisture forage and silage. Loans limited to $50,000 and a repayment period of 10 years. Interest rates based on the cost of funds to CCC. Size of facility limited to the quantity produced by the borrower during a 2- year period.	None P.L. 96-234 raised the previous $50,000 limit to $100,000 per producer.	Under provisions of the Commodity Credit Corporation Charter Act, the CCC is required to make financing available to construct or purchase storage facilities, but specific requirements are not stated.
International Reserve President encouraged to negotiate with other nations to develop a system of international food reserves.	P.L.96-494 contained language which earmarked 4 million tons of wheat (currently owned by the Government) as an International Food Security Reserve for use only in meeting emergency needs abroad when other U.S. stocks are low.	None

Provisions	Amendments Since 1977	Permanent Legislation
Purpose To increase the consumption of U.S. agriculture commodities in foreign countries, encourage economic development abroad, and to improve relations abroad.	No amendments were made to the 1977 Act provisions. However, numerous amendments to P.L. 480 were made since 1977 in various foreign assistance legislation.	None
1977 Program Changes Include: Require purchases under title I to be publicly advertised in the U.S. and made on the basis of bid offerings. Commissions to selling agents for food commodities would be prohibited and reporting of commissions to certain parties required. Authorized waivers to the restrictions on availability of commodities to cover urgent humanitarian needs. Changed the basis for reimbursing CCC for commodities acquired from its inventories from full reimbursement cost to the value of export market price. Authorized CCC to act as purchasing and shipping agent. Increased appropriation limit for Title II. Extended program authorization to Dec. 31, 1981.		Under the current statute no new agreements under Title I including Title III, nor programs under title II of P.L. 480 could be entered into after Dec. 31, 1981.

1977 Act Provisions	Amendments Since 1977	Permanent Legislation
Soybeans Required the Secretary to establish a loan and purchase program for 1978 to 1981 soybean crops; loan level left to the discretion of the Secretary.	The Agricultural Act of 1980 set the minimum loan level for the 1981 soybean crop at $5.02 per bushel.	Section 201 of the Agricultural Act of 1949 authorizes but does not require the Secretary to implement a loan and purchase program for soybeans.
Set-aside cannot be required for eligibility; payments are not authorized.	None	With expiration of the 1977 Act, Section 203 of the 1949 Act would become effective. This requires that, "whenever the price of either cottonseed or soybeans is supported... that the price of the other shall be supported ... at a level that ... will cause them to compete on equal terms on the market."
Sugar The 1977 Act established a loan and purchase program for the 1977 and 1978 crops of sugarcane and sugarbeets; support prices were to range between 52.5 and 65 percent of parity but not less than 13.5 cents per pound of raw sugar equivalent. Title X of the 1977 Act, also authorizes the Secretary to make loans, purchases price support or other programs available for the 1979 to 1981 sugar crops. Legislation provided that the price support program could be suspended when an International Sugar Agreement capable of maintaining a U.S. raw sugar prie of 13.5 cents per pound was implemented. Authorized and directed the Secretary to establish minimum wages for employees engaged in sugar production.	Legislation authorizing the implementation of the 1977 International Sugar Agreement was enacted. The Agreement provides for export quota reductions and buffer world stock accumulations with low world prices and suspension of export quotas and release of world stocks with high world prices. Currently the price range is from 12 to 22 cents per pound, raw value.	Provisions of the Agricultural Act of 1949 would provide the necessary authority to implement a price support program.