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Legislation

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The 97th Congress, which convened last January, faces many important policy decisions this year because a major component of our food and agricultural legal base expires in September: major farm commodity programs, the Food Stamp Program, and agricultural and human nutrition research. All need to be renewed, revised, or replaced.

Authorizations and Appropriations

Before finishing its "lame duck" session last December, the 96th Congress passed P.L. 96-499, the Omnibus Reconciliation Act, to extend until September 30, 1984, the authorization for several programs that were about to expire, and to mandate certain cost-saving provisions for child nutrition programs.

The eleventh hour bill included a reduction in the general cash reimbursement rate under Section 4 of the National School Lunch Act by 2.5 cents for fiscal 1981 (except in districts with 60 percent or more free or reduced-price lunches in 1978-79). Also, for 1981 only, an annual rather than semiannual adjustment will be made to lunch and breakfast reimbursement rates. For the year ending this June 30, the national average value of donated foods is reduced by 2 cents, and breakfast commodity assistance will be withheld beginning with that year. A permanent change sets the reimbursement rate for milk in the Special Milk Program and at least one meal service program at 5 cents.

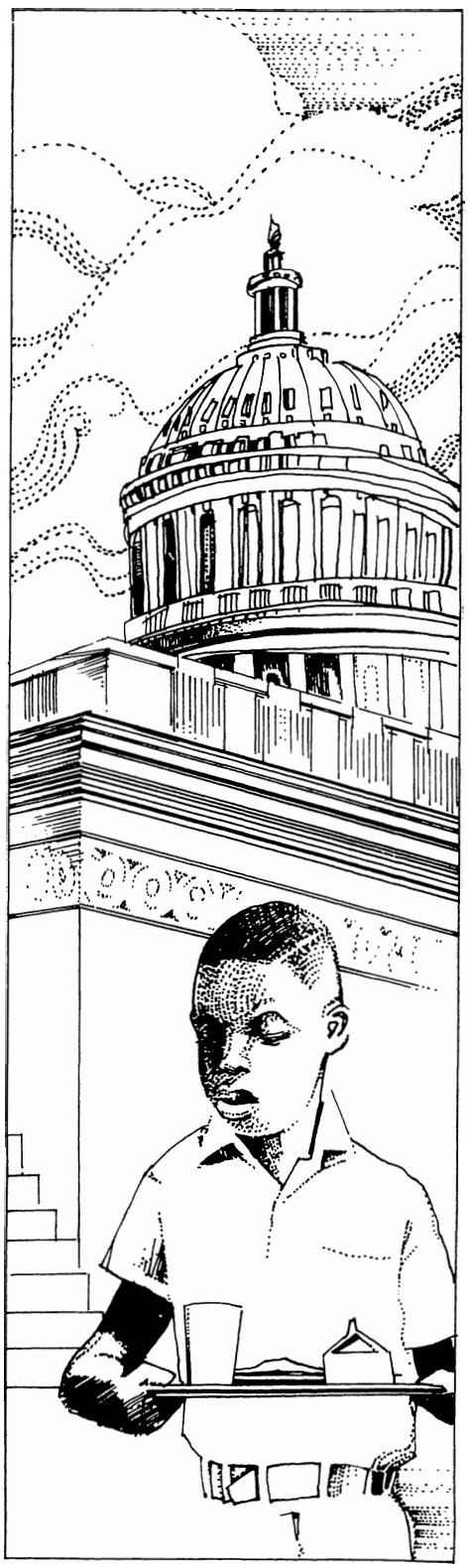
The 96th Congress also passed the fiscal 1981 agriculture appropriations, which, in addition to embracing several cost-reducing provisions of the Reconciliation Act, provides for food stamp funding of $9.451 billion. An additional $288 million is available "should it become necessary after the Secretary has employed the regulatory and administrative methods available to him under the law to curtail fraud, waste, and abuse in the program." Up to 5 percent of the $9.451 billion may be placed in reserve for use at such time as necessary to carry out program operations.

The food donations program was appropriated $128.7 million, and improvement in donation programs in Trust Territories are required. The feasibility of implementing a food stamp program in the Northern Marianas is to be restudied.

With continuing political pressure to ensure that food stamps reach the truly needy, $5 million of the $84 million total appropriated for food program administration was designated for use in "simplifying procedures, reducing overhead costs, tightening regulations, improving food stamp coupon handling, and assistance in the prevention, identification, and prosecution of fraud and other violations of law."

Pilot Project

A 3-year pilot program testing cash or vouchers in lieu of commodity donations to schools is to be conducted with nearly $2 million from the child nutrition appropriation. The project will include 60 school districts, with results reported to Congress by the end of 1984.

International Food Reserve

An act (P.L. 96-494) which increases price-supporting loan rates for 1980 and 1981 grain deposits in the farmer-owned reserve program also contains an international food reserve provision. Four million tons of wheat currently owned by the Government was earmarked as an international food security reserve for use only in meeting emergency needs abroad when other U.S. stocks are low. The act also (a) directs the Secretary of Agriculture to develop between two and seven domestic demonstration projects in which the USDA would donate food stocks to community food banks for the needy, (b) provides that in any future restriction of exports for national security or foreign policy reasons, the Secretary could set up additional reserves for use as alcohol feedstocks or emergency food use abroad, and (c) authorizes broadened promotion programs under marketing orders for walnuts and olives. ■