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Legislation

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Budgetary concerns have become a central focus in Congress as inflation has run up the costs of programs. Decisions weighing social programs against National military preparedness are becoming increasingly important as the goal of balancing the Federal budget implies some programs will be delayed, reduced, or cut.

Food Stamp Amendments

On May 15 of this year—the Administration's deadline for continuance of the Food Stamp Program through September—the Congress raised the food stamp spending limit and amended several provisions of the program. The amending bill (S. 1309):

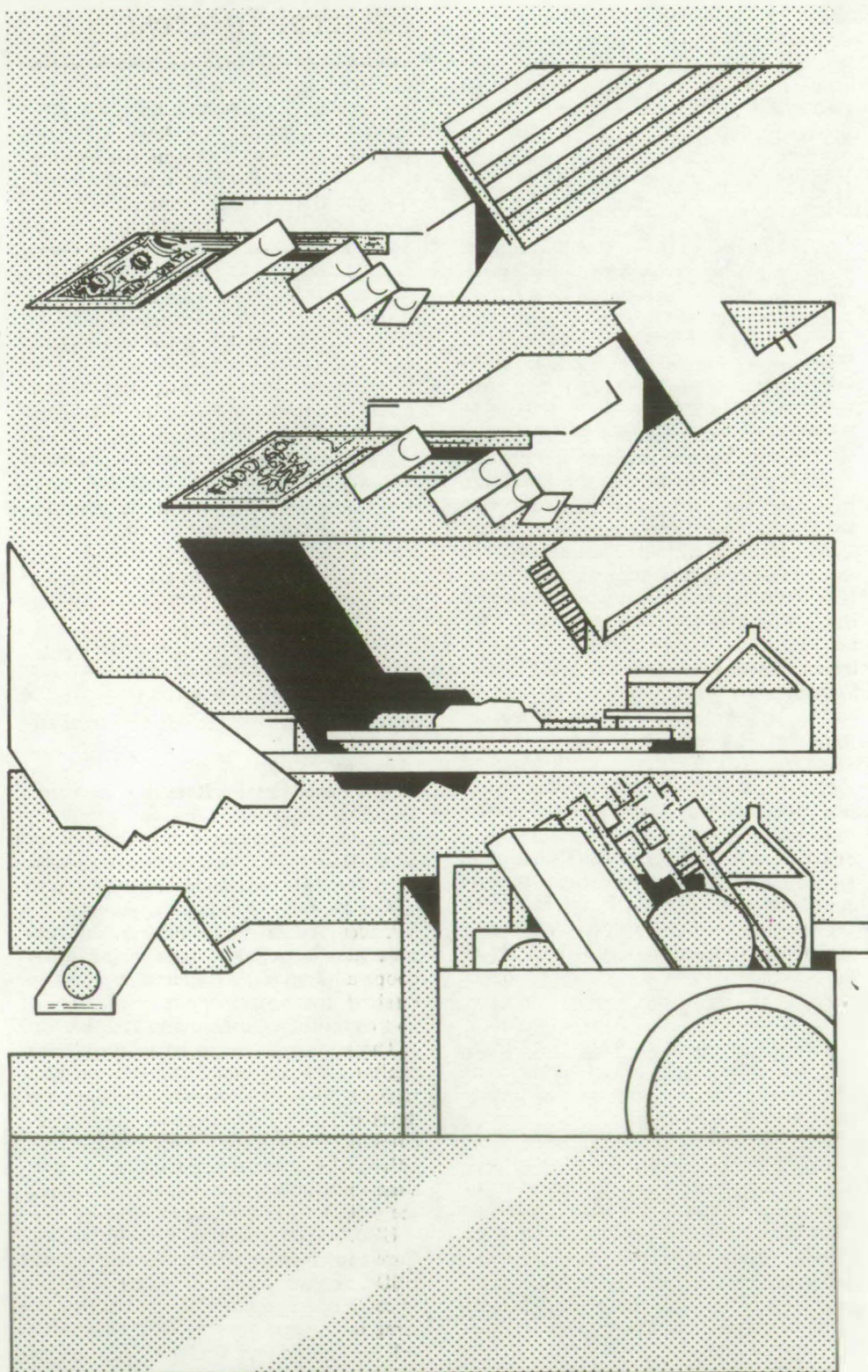
- Continued funding for the Food Stamp Program in fiscal years 1980 and 1981.
- Contained new measures to reduce fraud and error in the program.
- Contained cost-cutting and cost-postponement features to reduce potential spending in fiscal 1980 and 1981 by about \$750 million.

The funding authorization raises the 1977 appropriations ceiling in fiscal 1980 from \$6.2 billion to \$9.5 billion. For fiscal 1981, the cap has been raised to \$9.7 billion from its original \$6.2 billion.

Efforts to reduce fraud and error in the program include the following program changes:

- Cross-checking of income information furnished by applicants with income tax information held in Social Security Administration files and wage and unemployment insurance information held in State records.
- State option to determine eligibility by looking at a past month's earnings rather than estimated current income.
- In areas designated by the Secretary of Agriculture, State officials would require recipients to use photo identification cards to obtain stamps.
- States with reduced error rates will receive increased Federal payments for administrative costs.

Cost-reducing provisions of the new legislation include use of an annual benefit and standard deduction adjustment (January 1) rather than semi-annual as in the past. Also, the ceiling on liquid assets to maintain eligibility was lowered from \$1,750 to \$1,500 for all households except those of two or more persons with one at least 60 years old.



The Amendments restrict participation by physically fit college students aged 18 through 60 to those who work 20 or more hours per week; participate in a Federal work-study program; are heads of households with dependents; or are enrolled in a work-incentive program under the Aid to Families with Dependent Children Program.

The pilot test of workfare projects, in which able-bodied food stamp recipients work on public service jobs to earn benefits, is extended to September 30, 1981.

Benefits for elderly families with high medical bills and for working poor with dependent care costs are liberalized, but the effective date is postponed to reduce costs in 1981.

The Senate action added \$2.6 billion to the \$6.2 billion already appropriated for fiscal 1980. This brings the total appropriated for 1980's Food Stamp Program to \$8.8 billion. However, additional appropriations can be passed later if needed to extend the program through September. The President signed S. 1309 into law (PL 96-249) on May 26, 1980.

Plant Variety Protection Act Amendments

The House Agriculture Committee has approved H.R. 999, a bill to amend the Plant Variety Protection Act (PVPA). This Act permits developers of approximately 350 species of vegetables and field and ornamental crops to patent new plants for 17 years. Carrots, celery, cucumbers, okra, peppers, and tomatoes are exempt from the provisions in the PVPA. Under H.R. 999, the period of control by developers of new varieties would be increased from 17 to 18

years and the six vegetables that are currently excluded from the PVPA would be subject to its provisions.

Extending the life of the patent for 1 year will make it compatible with European laws. Thus, enactment of H.R. 999 would facilitate U.S. entry into the International Union for the Protection of New Plant Varieties (UPOV).

On April 22, 1980, the House Agriculture Subcommittee on Department Investigations, Oversight, and Research held hearings on the proposed amendments to the PVPA. The USDA, which administers the PVPA along with the Patent and Trademark Office, is a proponent of H.R. 999. Several organizations including the National Sharecropper Fund, the Consumers Federation of America, the Foreign Agriculture Organization, the National Farmers Union, and the National Center for Appropriate Technology are opposed to the bill. Arguments against the proposed amendments include loss of genetic diversity, potentially higher seed prices, and concern over a possible negative impact on the structure of agriculture.

The Senate Agriculture Subcommittee on Agricultural Research and General Legislation has not yet taken action on S. 23, the Senate version of the PVPA amendments.

Aquaculture Bill

The Senate approved by a voice vote a bill (S. 1650) to encourage the development of aquaculture, the raising of fish, shellfish, and plants in a controlled water environment. In 1978, Congress approved similar legislation but it was pocket vetoed by the President because it contained authorization for up to \$300 million in loan guarantees and up to \$250 million in direct insurance for aquaculture enterprises. The current bill does not contain any financial incentives to growers. It authorizes \$70 million for fiscal 1981 to 1983 for preparation of a National Aquaculture Development Plan.

Three Departments, Agriculture, Commerce, and Interior, are to devise the plan. The Departments are directed to identify the species of plants and animals that should be covered in an aquaculture program, to recommend policies that will aid

aquaculture development, to study the financial requirements of the aquaculture industry, and to review existing Government regulations relevant to the industry.

Commodity Letter of Credit

The House Education and Labor Committee has been considering an amendment to allow schools participating in the National School Lunch and School Breakfast Program to receive commodity letters of credit instead of USDA donated commodities. These commodities are now obtained from price-support and surplus removal operations, and other purchases. Under a commodity letter of credit system, the schools could buy all of their food at the local level or wherever they choose. Currently, schools receive about 20 percent of their food from commodities and purchase about 80 percent from local suppliers.

Hearings were held in March to discuss the proposed commodity letter of credit (CLOC). The National Frozen Food Association endorsed the CLOC and criticized the present system for being inefficient and expensive. However, estimates from the Congressional Budget Office indicate that the CLOC would not have a significant impact on reducing Federal expenditures. Most of the savings would accrue to State and local governments. The National Cattlemen's Association, United Egg Producers, National Grange, and the School Food Services Association were among the groups supporting continued use of commodities because of the dual roles that commodities play in helping to stabilize farm prices and contributing to the nutritional well-being of the Nation's children.

The Amendment calling for a shift from USDA commodities to a CLOC system was rejected by a 7-9 vote of the Subcommittee on Elementary and Secondary Education and by an 18-18 vote of the House Education and Labor Committee. ■