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**Conference Report to Accompany
Agricultural Act of 1954
H.R. Rep. No. 83-2664 (1954)**

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AGRICULTURAL ACT OF 1954

AUGUST 16, 1954.—Ordered to be printed

Mr. HOPE, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 9680]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9680) to provide for the continued price support for agricultural products; to augment the marketing and disposal of such products; to provide for greater stability in agriculture; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

TITLE I—SET ASIDE OF AGRICULTURAL COMMODITIES

SEC. 101. The Commodity Credit Corporation shall, as rapidly as the Secretary of Agriculture shall determine to be practicable, set aside within its inventories not more than the following maximum quantities and not less than the following minimum quantities of agricultural commodities or products thereof heretofore or hereafter acquired by it from 1954 and prior years' crops and production in connection with its price support operations:

<i>Commodity</i>	<i>Maximum quantity</i>	<i>Minimum quantity</i>
<i>Wheat (bushels)-----</i>	<i>500, 000, 000</i>	<i>400, 000, 000</i>
<i>Upland cotton (bales)-----</i>	<i>4, 000, 000</i>	<i>3, 000, 000</i>
<i>Cottonseed oil (pounds)-----</i>	<i>500, 000, 000</i>	<i>0</i>
<i>Butter (pounds)-----</i>	<i>200, 000, 000</i>	<i>0</i>
<i>Nonfat dry milk solids (pounds)-----</i>	<i>300, 000, 000</i>	<i>0</i>
<i>Cheese (pounds)-----</i>	<i>150, 000, 000</i>	<i>0</i>

Such quantities shall be known as the "commodity set-aside".

SEC. 102. Quantities of commodities shall not be included in the commodity set-aside which have an aggregate value in excess of \$2,500,-

000,000. The value of the commodities placed in the commodity set-aside, for the purpose of this section, shall be the Corporation's investment in such commodities as of the date they are included in the commodity set-aside, as determined by the Secretary.

SEC. 103. (a) Such commodity set-aside shall be reduced by disposals made in accordance with the directions of the President as follows:

(1) Donation, sale, or other disposition for disaster or other relief purposes outside the United States pursuant to and subject to the limitations of title II of the Agricultural Trade Development and Assistance Act of 1954;

(2) Sale or barter (including barter for strategic materials) to develop new or expanded markets for American agricultural commodities, including but not limited to disposition pursuant to and subject to the limitations of title I of the Agricultural Trade Development and Assistance Act of 1954;

(3) Donation to school-lunch programs;

(4) Transfer to the national stockpile established pursuant to the Act of June 7, 1939, as amended (50 U. S. C. 98-98h), without reimbursement from funds appropriated for the purposes of that Act;

(5) Donation, sale, or other disposition for research, experimental, or educational purposes;

(6) Donation, sale, or other disposition for disaster relief purposes in the United States or to meet any national emergency declared by the President; and

(7) Sale for unrestricted use to meet a need for increased supplies at not less than 105 per centum of the parity price in the case of agricultural commodities and a price reflecting 105 per centum of the parity price of the agricultural commodity in the case of products of agricultural commodities.

The President shall prescribe such terms and conditions for the disposal of commodities in the commodity set-aside as he determines will provide adequate safeguards against interference with normal marketings of the supplies of such commodities outside the commodity set-aside. Strategic materials acquired by the Commodity Credit Corporation under paragraph (2) of this subsection shall be transferred to the national stockpile established pursuant to the Act of June 7, 1939, as amended, and the Commodity Credit Corporation shall be reimbursed for the value of the commodities bartered for such strategic materials from funds appropriated pursuant to section 8 of such Act of June 7, 1939, as amended. For the purpose of such reimbursement, the value of any commodity so bartered shall be the lower of the domestic market price or the Commodity Credit Corporation's investment therein as of the date of such barter, as determined by the Secretary of Agriculture.

(b) The quantity of any commodity in the commodity set-aside shall be reduced to the extent that the Commodity Credit Corporation inventory of such commodity is reduced, by natural or other cause beyond the control of the Corporation, below the quantity then charged to the commodity set-aside.

SEC. 104. (a) The Corporation shall have authority to sell, without regard to section 103 (a) (7) hereof, any commodity covered by the commodity set-aside for the purpose of rotating stocks or consolidating inventories, any such sale to be offset by purchase of the same commodity in a substantially equivalent quantity or of a substantially equivalent value.

(b) Dispositions pursuant to this title shall not be subject to the pricing limitations of section 407 of the Agricultural Act of 1949, as amended.

SEC. 105. The quantity of any commodity in the commodity set-aside or transferred from the set-aside to the national stockpile established pursuant to the Act of June 7, 1939, as amended (50 U. S. C. 98-98h) shall be excluded from the computation of "carryover" for the purpose of determining the price support level for such commodity under the Agricultural Act of 1949, as amended, and related legislation, but shall be included in the computation of total supplies for purposes of acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, and related legislation. Until such time as the commodity set-aside has been completed, such quantity of the commodity as the Secretary shall determine between the maximum and minimum quantities specified in section 101 of this Act shall be excluded from the computations of "carryover" for the purpose of determining the price support level, but shall be included in the computation of total supplies for purposes of acreage allotments and marketing quotas, for the 1955 crop of the commodity, notwithstanding that the quantity so excluded may not have been acquired by the Corporation and included in the commodity set-aside.

SEC. 106. The Commodity Credit Corporation shall keep such records and accounts as may be necessary to show, for each commodity set-aside, the initial and current composition, value (in accordance with section 102), current investment, quantity disposed of, method of disposition, and amounts received on disposition.

SEC. 107. In order to make payment to the Commodity Credit Corporation for any commodities transferred to the national stockpile pursuant to section 103 (a) (4) of this Act, there are hereby authorized to be appropriated amounts equal to the value of any commodities so transferred. The value of any commodity so transferred, for the purpose of this section, shall be the lower of the domestic market price or the Commodity Credit Corporation's investment therein as of the date of transfer to the stockpile, as determined by the Secretary of Agriculture.

TITLE II—AMENDMENTS TO AGRICULTURAL ACT OF 1949, AS AMENDED, AND RELATED LEGISLATION

SEC. 201. (a) Section 101 (d) (6) of the Agricultural Act of 1949 is amended to read as follows:

"(6) Except as provided in subsection (c) and section 402, the level of support to cooperators shall be not more than 90 per centum and not less than 82½ per centum of the parity price for the 1955 crop of any basic agricultural commodity with respect to which producers have not disapproved marketing quotas; within such limits, the minimum level of supports shall be fixed as provided in subsections (a) and (b) of this section."

(b) Section 101 (d) of the Agricultural Act of 1949 (7 U. S. C., sec. 1441 (d)) is amended by adding at the end thereof the following new paragraph:

"(7) Where a State is designated under section 335 (e) of the Agricultural Adjustment Act of 1938, as amended, as outside the commercial wheat-producing area for any crop of wheat, the level of price support for wheat to cooperators in such State for such crop of wheat shall be 75 per centum of the level of price support to cooperators in the commercial wheat-producing area."

SEC. 202. Section 101 (f) of the Agricultural Act of 1949, as amended, is amended by deleting in the first sentence thereof everything following the word "except" and inserting in lieu thereof the following: "that, notwith-

standing any of the foregoing provisions of section 101 of this Act, the level of support to cooperators for the 1955 and each subsequent crop of extra long staple cotton, if producers have not disapproved marketing quotas therefor, shall be the minimum level specified in section 101 (b) of this Act for the supply percentage for extra long staple cotton as of the beginning of the marketing year for the crop."

SEC. 203. (a) Section 201 of the Agricultural Act of 1949 (7 U. S. C. 1446), as amended, is amended (1) by deleting "Irish potatoes," from the first sentence thereof, and (2) by deleting from subsection (b) thereof "tung nuts, honey, and early, intermediate and late Irish potatoes" and inserting in lieu thereof "tung nuts and honey".

(b) Section 5 of the Act of March 31, 1950 (7 U. S. C. 1450), as amended by section 5 (a) of Public Law 290, Eighty-third Congress, is repealed.

SEC. 204. (a) The production and use of abundant supplies of high quality milk and dairy products are essential to the health and general welfare of the Nation; a dependable domestic source of supply of these foods in the form of high grade dairy herds and modern, sanitary dairy equipment is important to the national defense; and an economically sound dairy industry affects beneficially the economy of the country as a whole. It is the policy of Congress to assure a stabilized annual production of adequate supplies of milk and dairy products; to promote the increased use of these essential foods; to improve the domestic source of supply of milk and butterfat by encouraging dairy farmers to develop efficient production units consisting of high-grade, disease-free cattle and modern sanitary equipment; and to stabilize the economy of dairy farmers at a level which will provide a fair return for their labor and investment when compared with the cost of things that farmers buy.

(b) Section 201 (c) of the Agricultural Act of 1949, as amended, is amended to read as follows:

"(c) The price of whole milk, butterfat, and the products of such commodities, respectively, shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through loans on, or purchases of, milk and the products of milk and butterfat, and for the period ending March 31, 1956, surplus stocks of dairy products owned by the Commodity Credit Corporation may be disposed of by any methods determined necessary by the Secretary. Beginning September 1, 1954, and ending June 30, 1956, not to exceed \$50,000,000 annually of funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children in non-profit schools of high school grade and under."

(c) In order to prevent the accumulation of excessive inventories of dairy products the Secretary of Agriculture shall undertake domestic disposal programs under authorities granted in the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949, as amended, or as otherwise authorized by law.

(d) Title II of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following:

"SEC. 202. As a means of increasing the utilization of dairy products, (including for purposes of this section, milk) upon the certification by the Administrator of Veterans' Affairs or by the Secretary of the Army, acting for the military departments under the Department of Defense's Single

Service Purchase Assignment for Subsistence, or their duly authorized representatives that the usual quantities of dairy products have been purchased in the normal channels of trade—

“(a) The Commodity Credit Corporation until December 31, 1956, shall make available to the Administrator of Veterans' Affairs at warehouses where dairy products are stored, such dairy products acquired under price-support programs as the Administrator certifies that he requires in order to provide butter and cheese and other dairy products as a part of the ration in hospitals under his jurisdiction. The Administrator shall report monthly to the Committees on Agriculture of the Senate and House of Representatives and the Secretary of Agriculture the amount of dairy products used under this subsection.

“(b) The Commodity Credit Corporation until December 31, 1956 shall make available to the Secretary of the Army, at warehouses where dairy products are stored, such dairy products acquired under price-support programs as the Secretary of the Army or his duly authorized representative certifies can be utilized in order to provide additional butter and cheese and other dairy products as a part of the ration of the Army, Navy, or Air Force, and as a part of the ration in hospitals under the jurisdiction of the Department of Defense. The Secretary of the Army shall report every six months to the Committees on Agriculture of the Senate and the House of Representatives and the Secretary of Agriculture the amount of dairy products used under this subsection.

“(c) Dairy products made available under this section shall be made available without charge, except that the Secretary of the Army or the Administrator of Veterans' Affairs shall pay the Commodity Credit Corporation the costs of packaging incurred in making such products so available.

“(d) The obligation of the Commodity Credit Corporation to make dairy products available pursuant to the above shall be limited to dairy products acquired by the Corporation through price-support operation and not disposed of under provisions (1) and (2) of section 416 of this Act, as amended.”

(e) As a means of stabilizing the dairy industry and further suppressing and eradicating brucellosis in cattle the Secretary is authorized to transfer not to exceed \$15,000,000 annually for a period of two years from funds available to the Commodity Credit Corporation to the appropriation item “Plant and Animal Disease and Pest Control” in the Department of Agriculture Appropriation Act, 1955, for the purpose of accelerating the brucellosis eradication program, for the purpose of increasing to not to exceed \$50 per head of cattle the amount of the indemnities paid by the Federal Government for cattle destroyed because of brucellosis in connection with cooperative control and eradication programs for such disease in cattle entered into by the Secretary under the authority of the Act of May 29, 1884, as amended, for the purpose of increasing the number of such indemnities, and for the purpose of defraying any additional administrative expenses in connection therewith. There is hereby authorized to be appropriated annually such sums as may be necessary to reimburse the Commodity Credit Corporation for expenditures pursuant to this section.

(f) The Secretary of Agriculture is directed to make a study of the various methods of production control and of the various methods of price support which could be made applicable to milk and butterfat and their products, including programs to be operated and financed by dairymen; and to submit to Congress on or before the 3d day of January 1955, a

detailed report thereof showing among other things the probable costs and effects of each type of operation studied and the legislation, if any, needed to put it into effect. The purpose of the study and report is to develop basic material which can be used by Congress in formulating an improved agricultural program for milk and butterfat and their products. Alternative programs are to be submitted for consideration by Congress and for possible submission to a referendum of dairy farmers. The Secretary may conduct such hearings and receive such statements and briefs in connection with such study as he deems appropriate.

SEC. 206. Section 401 (c) of the Agricultural Act of 1949, as amended (7 U. S. C. 1421), is amended by adding, at the end thereof, the following: "In administering any program for diverted acres the Secretary may make his regulations applicable on an appropriate geographical basis. Such regulations shall be administered (1) in semiarid or other areas where good husbandry requires maintenance of a prudent feed reserve in such manner as to permit, to the extent so required by good husbandry, the production of forage crops for storage and subsequent use either on the farm or in feeding operations of the farm operator, and (2) in areas declared to be disaster areas by the President under Public Law 875, Eighty-first Congress, in such manner as will most quickly restore the normal pattern of their agriculture."

SEC. 207. Section 401 of the Agricultural Act of 1949, as amended, is amended by adding thereto the following new subsection:

"(e) Whenever any price support or surplus removal operation for any agricultural commodity is carried out through purchases from or loans or payments to processors, the Secretary shall, to the extent practicable, obtain from the processors such assurances as he deems adequate that the producers of the agricultural commodity involved have received or will receive maximum benefits from the price support or surplus removal operation."

SEC. 208. Notwithstanding the provisions of section 407 of the Agricultural Act of 1949, as amended, or of any other law, the Commodity Credit Corporation is authorized until March 1, 1955, to sell at the point of storage any feed grain owned by the Corporation at 10 per centum above the current support price for the commodity.

SEC. 209. Section 408 (b) of the Agricultural Act of 1949 (7 U. S. C., sec. 1428 (b)) is amended by inserting "or wheat" after "corn", and by inserting "or wheat-producing" after "corn-producing".

TITLE III—AMENDMENTS TO AGRICULTURAL ADJUSTMENT ACT OF 1938, AND RELATED LEGISLATION

SEC. 301. Section 301 (a) (1) (E) of the Agricultural Adjustment Act of 1938, as amended (U. S. C., 1952 edition, title 7, sec. 1301 (a) (1) (E)), is amended as follows:

"SEC. 301 (a) (1) (E). Notwithstanding the provisions of subparagraph (A), the transitional parity price for any agricultural commodity, computed as provided in this subparagraph, shall be used as the parity price for such commodity until such date after January 1, 1950, as such transitional parity price may be lower than the parity price, computed as provided in subparagraph (A), for such commodity. The transitional parity price for any agricultural commodity as of any date shall be—

"(i) its parity price determined in the manner used prior to the effective date of the Agricultural Act of 1948, less

“(ii) 5 per centum of the parity price so determined multiplied by the number of full calendar years which, as of such date, have elapsed after January 1, 1949, in the case of nonbasic agricultural commodities, and after January 1, 1955, in the case of the basic agricultural commodities.”

SEC. 302. Section 301 (b) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1301 (b)), is amended:

(a) By striking out in paragraph 10 (A) the language “10 per centum in the case of corn” and “15 per centum in the case of wheat” and inserting in lieu thereof “15 per centum in the case of corn” and “20 per centum in the case of wheat”, respectively;

(b) By amending paragraph (13) (A) to read as follows:

“(A) ‘Normal yield’ for any county, in the case of corn or wheat, shall be the average yield per acre of corn or wheat for the county during the ten calendar years in the case of wheat, or the five calendar years in the case of corn, immediately preceding the year in which such normal yield is determined, adjusted for abnormal weather conditions and, in the case of wheat, for trends in yields. Such normal yield per acre for any county need be redetermined only when the actual average yield for the ten calendar years in the case of wheat, or the five calendar years in the case of corn, immediately preceding the calendar year in which such yield is being reconsidered differs by at least 5 per centum from the actual average yield for the ten years in the case of wheat, or the five years in the case of corn, upon which the existing normal yield per acre for the county was based.”; and

(c) By amending the first sentence of paragraph (13) (E) to read as follows: “‘Normal yield’ for any farm, in the case of corn, wheat, cotton, or peanuts, shall be the average yield per acre of corn, wheat, cotton, or peanuts, as the case may be, for the farm, adjusted for abnormal weather conditions and, in the case of wheat, but not in the case of corn, cotton, or peanuts, for trends in yields, during the ten calendar years in the case of wheat, and five calendar years in the case of corn, cotton, or peanuts, immediately preceding the year in which such normal yield is determined.”

SEC. 303. Part II of subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C., ch. 35, subch. II, subtitle B, pt. II), is amended by striking out the designation “MARKETING QUOTAS—CORN” and inserting in lieu thereof the words “ACREAGE ALLOTMENTS—CORN”.

SEC. 304. Sections 322 to 325, inclusive (7 U. S. C. 1322 to 1325), and section 326 (7 U. S. C. 1326), insofar as it is applicable to corn, of the Agricultural Adjustment Act of 1938, as amended, are hereby repealed, and section 327 thereof (7 U. S. C. 1327), is hereby amended to read as follows:

“PROCLAMATION OF COMMERCIAL CORN-PRODUCING AREA

“SEC. 327. Not later than February 1 of each calendar year, the Secretary shall ascertain and proclaim the commercial corn-producing area.”

SEC. 305. The first sentence of section 328 of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1328), is amended by striking out the word “ten” and inserting in lieu thereof “five”, by striking out the language “and trends in yield”, and by striking out the word “or” and inserting in lieu thereof “and corn”.

SEC. 306. Section 329 (a) of the Agricultural Adjustment Act of 1938,

as amended (7 U. S. C. 1329), is amended by striking out the word "ten" and inserting in lieu thereof "five".

SEC. 307. Section 332 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"SEC. 332. Not later than May 15 of each calendar year the Secretary shall ascertain and proclaim the national acreage allotment for the crop of wheat produced in the next succeeding calendar year."

SEC. 308. Section 334 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof a new subsection as follows:

"(f) Any part of any 1955 farm wheat acreage allotment on which wheat will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the allotment to such farm and may be reapportioned by the county committee to other farms in the same county receiving allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of wheat tillable acres, crop rotation practices, type of soil, and topography. If all of the allotted acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used for the same purposes as the State acreage reserve under subsection (c) of this section. Any allotment transferred under this provision shall be regarded for the purposes of subsection (c) of this section as having been planted on the farm from which transferred rather than on the farm to which transferred, except that this shall not operate to make the farm from which the allotment was transferred eligible for an allotment as having wheat planted thereon during the three-year base period: Provided, That notwithstanding any other provisions of law, any part of any 1955 farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm, and reapportioned as provided herein. Acreage surrendered, reapportioned under this subsection, and planted shall be credited to the State and county in determining future acreage allotments."

SEC. 309. Section 335 of the Agricultural Adjustment Act of 1938, as amended, is amended—

(a) by striking out of subsection (a) "July 1" following the words "not later than" and inserting in lieu thereof "May 15"; and

(b) by adding at the end thereof the following new subsection:

"(e) If, for any marketing year, the acreage allotment for wheat for any State is twenty-five thousand acres or less, the Secretary, in order to promote efficient administration of this Act and the Agricultural Act of 1949, may designate such State as outside the commercial wheat-producing area for such marketing year. No farm marketing quota or acreage allotment with respect to wheat under this title shall be applicable in such marketing year to any farm in any State so designated; and no acreage allotment in any other State shall be increased by reason of such designation. Notice of any such designation shall be published in the Federal Register."

SEC. 310. (a) Section 344 (f) (6) of the Agricultural Adjustment Act of 1938, as amended, is amended by changing the first sentence to read as follows:

"(6) Notwithstanding the foregoing provisions of this subsection except paragraph (3), if the county committee recommends such action and the Secretary determines that such action will result in a more equitable distribution of the county allotment among farms in the county, the county acreage allotment, less the acreage reserved under paragraph (3) of this

subsection, shall be apportioned to farms in which cotton has been planted in any one of the three years immediately preceding the year for which such allotment is determined, on the basis of the acreage planted to cotton on the farm during such three-year period, adjusted as may be necessary for abnormal conditions affecting plantings during such three-year period: Provided, That the county committee may in its discretion (A) apportion such county allotment by first establishing minimum allotments in accordance with paragraph (1) of this subsection and by allotting the remaining acreage to farms other than those receiving an allotment under paragraph (1) (B) in accordance with the foregoing provisions of this paragraph and (B) limit any farm acreage allotment established under the provisions of this paragraph for any year to an acreage not in excess of 50 per centum of the cropland on the farm, as determined pursuant to the provisions of paragraph (2) of this subsection: Provided further, That any part of the county acreage allotment not apportioned under this paragraph by reason of the initial application of such 50 per centum limitation shall be added to the county acreage reserve under paragraph (3) of this subsection and shall be available for the purposes specified therein.

(b) Section 344 (m) (2) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out "1954 or 1955" wherever they appear therein.

SEC. 311. (a) Section 348 of the Agricultural Adjustment Act of 1938, as amended, is amended effective with the 1955 crops to read as follows:

"SEC. 348. (a) Any person who knowingly harvests any basic agricultural commodity on his farm which has been determined by the Secretary to be in excess of the farm acreage allotment for such commodity for the farm for such year under this title shall not be eligible for any payment for such year under the Soil Conservation and Domestic Allotment Act, as amended.

"(b) Persons applying for any payment of money under the Soil Conservation and Domestic Allotment Act, as amended, shall file with the application a statement of facts showing eligibility under this section."

(b) Section 374 of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the last sentence of subsection (b) thereof and adding the following new subsection:

"(c) If the acreage determined to be planted to any basic agricultural commodity on the farm is in excess of the farm acreage allotment, the Secretary shall by appropriate regulations provide for a reasonable time prior to harvest within which such planted acreage may be adjusted to the farm acreage allotment."

SEC. 312. Section 371 of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1371), is hereby amended:

(a) By amending subsection (b) to read as follows:

"(b) If the Secretary has reason to believe that, because of a national emergency or because of a material increase in export demand, any national acreage allotment for corn or any national marketing quota or acreage allotment for wheat, cotton, rice, peanuts, or tobacco should be increased or terminated, he shall cause an immediate investigation to be made to determine whether the increase or termination is necessary in order to effect the declared policy of this Act or to meet such emergency or increase in export demand. If, on the basis of such investigation, the Secretary finds that such increase or termination is necessary, he shall immediately proclaim such finding (and if he finds an increase is necessary, the amount of the increase found by him to be necessary) and there-

upon such quota or allotment shall be increased, or shall terminate, as the case may be."

(b) By adding in subsection (c) after the words "marketing quota", wherever they appear therein, the words "or acreage allotment", and

(c) By deleting subsection (d) therefrom.

SEC. 313. Public Law 74, Seventy-seventh Congress (7 U. S. C. 1330, 1340), as amended, shall not be applicable to corn.

SEC. 314. Notwithstanding any other provision of law, in areas where a summer fallow crop rotation of wheat is a common practice the 1955 wheat acreage allotment for any farm on which such rotation was practiced with respect to the 1952 and 1953 crops of wheat shall not be less than 50 per centum of (1) the average acreage planted for the production of wheat for the calendar years 1952 and 1953 plus (2) the average of the acreage summer fallowed during the calendar year 1951 for the seeding of wheat for 1952 and the acreage summer fallowed during the calendar year of 1952 for the seeding of wheat for 1953, adjusted in the same ratio as the national average seedings for the production of wheat during the calendar years 1952 and 1953 bears to the national acreage allotment for wheat for the 1955 crop, taking into consideration the adjustments made for crop rotation practices pursuant to the regulations pertaining to farm acreage allotments for the 1955 crop of wheat issued by the Secretary: Provided, That, except for farms on which at least 90 per centum of the acreage seeded for the production of wheat for the calendar years 1952 and 1953 was seeded on land which was summer fallowed during the years 1951 and 1952, respectively, and for which a definite and regular alternate wheat and summer fallow crop rotation practice has been determined under the aforesaid regulations, the acreage determined under this section to which the national adjustment factor is applied shall not exceed 50 per centum of the cropland on the farm well suited for the production of wheat: Provided further, That no acreage shall be included under (1) or (2) which the Secretary, by appropriate regulations, determines will become an undue erosion hazard under continued farming: Provided further, That the acreage determined under this section to which the national adjustment factor is applied shall not exceed six hundred and forty acres, with the acres in excess of six hundred and forty acres, if any, to be adjusted by the adjustment factor for the county. To the extent that the allotment to any county is insufficient to provide for such minimum farm allotments, the Secretary shall allot such county such additional acreage (which shall be in addition to the county, State, and National acreage allotments otherwise provided for under the Agricultural Adjustment Act of 1938, as amended) as may be necessary in order to provide for such minimum farm allotments.

SEC. 315. The Secretary of Agriculture is directed to make a study of the various two-price systems of price support and marketing which could be made applicable to rice and to submit to Congress on or before March 1, 1955, a detailed report thereon. The Secretary may conduct such hearings and receive such statements and briefs in connection with such study as he deems appropriate.

TITLE IV—AMENDMENTS TO AGRICULTURAL MARKETING AGREEMENT ACT OF 1937

SEC. 401. The Agricultural Adjustment Act (of 1933), as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended as follows:

(a) Section 2, as amended (7 U. S. C. 602), is amended by adding the following new subsection:

"(4) Through the exercise of the powers conferred upon the Secretary of Agriculture under this title, to establish and maintain such orderly marketing conditions for any agricultural commodity enumerated in section 8c (2) as will provide, in the interests of producers and consumers, an orderly flow of the supply thereof to market throughout its normal marketing season to avoid unreasonable fluctuations in supplies and prices."

(b) Section 8c (2), as amended (7 U. S. C. 608c (2)), is amended to read as follows:

"(2) Orders issued pursuant to this section shall be applicable only to the following agricultural commodities and the products thereof (except canned or frozen grapefruit, the products of naval stores, and the products of honeybees), or to any regional, or market classification of any such commodity or product: Milk, fruits (including filberts, almonds, pecans and walnuts but not including apples, other than apples produced in the States of Washington, Oregon, and Idaho, and not including fruits, other than olives and grapefruit, for canning or freezing), tobacco, vegetables (not including vegetables, other than asparagus, for canning or freezing), soybeans, hops, honeybees and naval stores as included in the Naval Stores Act and standards established thereunder (including refined or partially refined oleoresin): Provided, That no order issued pursuant to this section shall be effective as to any grapefruit for canning or freezing unless the Secretary of Agriculture determines, in addition to other findings and determinations required by this Act, that the issuance of such order is approved or favored by the processors who, during a representative period determined by the Secretary, have been engaged in canning or freezing such commodity for market and have canned or frozen for market more than 50 per centum of the total volume of such commodity canned or frozen for market during such representative period."

(c) Section 8c (6), as amended (7 U. S. C. 608c (6)), is amended:

(1) By deleting the provisions immediately preceding paragraph (A) thereof and inserting in lieu thereof the following:

"(6) In the case of the agricultural commodities and the products thereof, other than milk and its products, specified in subsection (2) orders issued pursuant to this section shall contain one or more of the following terms and conditions, and (except as provided in subsection (7)), no others:"

(2) By adding the following new paragraphs at the end thereof:

"(H) providing a method for fixing the size, capacity, weight, dimensions, or pack of the container, or containers, which may be used in the packaging, transportation, sale, shipment, or handling of any fresh or dried fruits, vegetables, or tree nuts: Provided, however, That no action taken hereunder shall conflict with the Standard Containers Act of 1916 (15 U. S. C. 251-256) and the Standard Containers Act of 1928 (15 U. S. C. 257-257i);

"(I) establishing or providing for the establishment of marketing research and development projects designed to assist, improve, or promote the marketing, distribution, and consumption of any such commodity or product, the expense of such projects to be paid from funds collected pursuant to the marketing order."

(d) Section 8c (7) (C), is amended by adding at the end thereof: "There shall be included in the membership of any agency selected to administer a marketing order applicable to grapefruit for canning or

freezing one or more representatives of processors of the commodity specified in such order."

(e) Section 8 as amended, is further amended by adding a new section 8e reading as follows:

"8e. Notwithstanding any other provision of law, whenever a marketing order issued by the Secretary of Agriculture pursuant to section 8c of this Act contains any terms or conditions regulating the grade, size, quality, or maturity of tomatoes, avocados, limes, grapefruit, green peppers, Irish potatoes, cucumbers, or eggplants produced in the United States the importation into the United States of any such commodity during the period of time such order is in effect shall be prohibited unless it complies with the grade, size, quality, and maturity provisions of such order or comparable restrictions promulgated hereunder: Provided, That this prohibition shall not apply to such commodities when shipped into continental United States from the Commonwealth of Puerto Rico or any Territory or possession of the United States where this Act has force and effect: Provided further, That whenever two or more such marketing orders regulating the same agricultural commodity produced in different areas of the United States are concurrently in effect, the importation into the United States of any such commodity shall be prohibited unless it complies with the grade, size, quality, and maturity provisions of the order which, as determined by the Secretary of Agriculture, regulates the commodity produced in the area with which the imported commodity is in most direct competition. Such prohibition shall not become effective until after the giving of such notice as the Secretary of Agriculture determines reasonable, which shall not be less than three days. In determining the amount of notice that is reasonable in the case of tomatoes the Secretary of Agriculture shall give due consideration to the time required for their transportation and entry into the United States after picking. Whenever the Secretary of Agriculture finds that the application of the restrictions under a marketing order to an imported commodity is not practicable because of variations in characteristics between the domestic and imported commodity he shall establish with respect to the imported commodity such grade, size, quality, and maturity restrictions by varieties, types, or other classifications as he finds will be equivalent or comparable to those imposed upon the domestic commodity under such order. The Secretary of Agriculture may promulgate such rules and regulations as he deems necessary, to carry out the provisions of this section. Any person who violates any provision of this section or of any rule, regulation, or order promulgated hereunder shall be subject to a forfeiture in the amount prescribed in section 8a (5) or, upon conviction, a penalty in the amount prescribed in section 8c (14) of the Act, or to both such forfeiture and penalty."

TITLE V—AMENDMENTS TO SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

SEC. 501. Section 8 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590h), is amended:

(a) By striking out of subsection (a) "January 1, 1955" and "December 31, 1954", wherever they appear therein, and inserting in lieu thereof "January 1, 1957" and "December 31, 1956", respectively;

(b) By adding at the end of subsection (a) the following:

"During the period prior to January 1, 1957, the Secretary shall carry out the purposes specified in section 7 (a) through State action as

rapidly as adequate State laws are enacted and satisfactory State plans are submitted. Notwithstanding the foregoing provisions of this section and section 7, the provisions of this section with respect to the State, county, and local committees of farmers shall continue in full force and effect for purposes other than the administration of State plans.”;

(c) By striking out of the second paragraph of subsection (b) the language “at not to exceed a fair price fixed in accordance with regulations to be prescribed by the Secretary” and by adding at the end of such paragraph the following new sentence: “The price at which purchase orders for any conservation materials or services are filled may be limited to a fair price fixed in accordance with regulations prescribed by the Secretary.”

SEC. 502. Section 15 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590o), is amended by adding at the end thereof the following:

“Notwithstanding the foregoing provisions of this section and the provisions of section 7 (g), programs of soil building practices and soil- and water-conserving practices shall be based on a distribution of the funds available for payments and grants among the several States in accordance with their conservation needs, as determined by the Secretary, except that the proportion allocated to any State shall not be reduced by more than 15 per centum from the distribution of such funds for the next preceding program year. In carrying out such programs, the Secretary shall give particular consideration to conservation problems on farm lands diverted from crops under acreage allotment programs and to the maintenance of a proper balance between soil conserving and soil depleting crops on the farm.”

SEC. 503. Nothing contained in section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, or in any other provision of law, shall be construed to authorize the Secretary of Agriculture to impose any limitations upon the number of terms for which members of county committees established under such section may be reelected.

TITLE VI—AGRICULTURAL ATTACHES

SEC. 601. For the purpose of encouraging and promoting the marketing of agricultural products of the United States and assisting American farmers, processors, distributors, and exporters to adjust their operations and practices to meet world conditions, the Secretary of Agriculture shall acquire information regarding the competition and demand for United States agricultural products, the marketing and distribution of said products in foreign countries and shall be responsible for the interpretation and dissemination of such information in the United States and shall make investigations abroad regarding the factors affecting and influencing the export of United States agricultural products, and shall conduct abroad any other activities including the demonstration of standards of quality for American agricultural products for which the Department of Agriculture now has or in the future may have such standards, as he deems necessary. Nothing contained herein shall be construed as prohibiting the Department of Agriculture from conducting abroad any activity for which authority now exists.

SEC. 602. (a) To effectuate the carrying out of the purposes of this title, the Secretary of Agriculture is authorized to appoint such personnel as he determines to be necessary and, with the concurrence of the Secretary

of State, to assign such personnel to service abroad, and the Secretary of Agriculture may place not to exceed eight positions in grade 16 and two in grade 17 of the General Schedule of the Classification Act of 1949, as amended, in accordance with the standards and procedures of that Act and such positions shall be in addition to the number authorized in section 505 of that Act.

(b) Officers or employees assigned or appointed to a post abroad pursuant to this title shall have the designation of Agricultural Attaché or other titles or designations, which shall be jointly agreed to by the Secretary of State and the Secretary of Agriculture.

(c) Upon the request of the Secretary of Agriculture, the Secretary of State shall regularly and officially attach the officers or employees of the United States Department of Agriculture to the diplomatic mission of the United States in the country in which such officers or employees are to be assigned by the Secretary of Agriculture, and shall obtain for them diplomatic privileges and immunities equivalent to those enjoyed by Foreign Service personnel of comparable rank and salary.

(d) The President shall prescribe regulations to insure that the official activities of persons assigned abroad under this title are carried on (1) consonant with United States foreign policy objectives as defined by the Secretary of State; (2) in accordance with instructions of the Secretary of Agriculture with respect to agricultural matters; and (3) in coordination with other representatives of the United States Government in each country, under the leadership of the Chief of the United States Diplomatic Mission.

SEC. 603. The Secretary of Agriculture may, under such rules and regulations as may be prescribed by the President or his designee, provide to personnel appointed or assigned by the Secretary of Agriculture under this title or other authority allowances and benefits similar to those provided by title IX of the Foreign Service Act of 1946. Leaves of absence for personnel under this title shall be on the same basis as is provided for the Foreign Service of the United States by the Annual and Sick Leave Act of 1951 (5 U. S. C. 2061).

SEC. 604. (a) The reports and dispatches prepared by the officers appointed or assigned under this title shall be made available to the Department of State, and may be made available to other interested agencies of the Government, and the agricultural reports and dispatches and related information produced by officers of the Foreign Service shall be available to the Secretary of Agriculture.

(b) The Secretary of State is authorized upon request of the Secretary of Agriculture to provide office space, equipment, facilities, and such other administrative and clerical services as may be required for the personnel affected by this title. The Secretary of Agriculture is authorized to reimburse or advance funds to the Secretary of State for such services.

SEC. 605. Provisions in annual appropriation Acts of the Department of State facilitating the work of the Foreign Service of the United States shall be applicable under rules and regulations prescribed by the President or his designee to activities pursuant to this title.

SEC. 606. The Secretary of Agriculture may make rules and regulations necessary to carry out the purposes of this title and may cooperate with any Department or agency of the United States Government, State, Territory, or possession or any organization or person. In any foreign country where custom or practice requires payment in advance for rent or other service, such payment may be authorized by the Secretary of Agriculture.

SEC. 607. (a) For the fiscal year 1955 so much of the Department of

State and Department of Agriculture unexpended balances of appropriations, allocations, and other funds employed, held, used, available, or to be made available, in connection with the functions covered by this title as the Director of the Bureau of the Budget or the Congress by appropriation or other law shall determine shall be transferred to or established in accounts under the control of the Department of Agriculture, and there are hereby authorized to be established such additional accounts as may be necessary for this purpose.

(b) There are hereby authorized to be appropriated to the Department of Agriculture such amounts as may be necessary for the purpose of this title.

(c) For the fiscal year 1955 funds which become available for the purposes of this title may be expended under the provisions of law, including current appropriation Acts, applicable to the Department of State: Provided, That the provisions of section 571 (d) of the Foreign Service Act of 1946, as amended, with respect to the source of payment for Foreign Service officers and employees shall not apply to personnel employed under this title. Obligations incurred by the Department of State prior to September 1, 1954, with respect to functions affected by this Act, shall be paid from appropriations available to the Department of State.

SEC. 608. Nothing in this title shall be construed to affect personnel employed by or funds available to the Foreign Operations Administration or programs conducted under its authorities.

TITLE VII—NATIONAL WOOL ACT OF 1954

SEC. 701. This title may be cited as the "National Wool Act of 1954."

SEC. 702. It is hereby recognized that wool is an essential and strategic commodity which is not produced in quantities and grades in the United States to meet the domestic needs and that the desired domestic production of wool is impaired by the depressing effects of wide fluctuations in the price of wool in the world markets. It is hereby declared to be the policy of Congress, as a measure of national security and in promotion of the general economic welfare, to encourage the annual domestic production of approximately three hundred million pounds of shorn wool, grease basis, at prices fair to both producers and consumers in a manner which will have the least adverse effects upon foreign trade.

SEC. 703. The Secretary of Agriculture shall, through the Commodity Credit Corporation, support the prices of wool and mohair, respectively, to the producers thereof by means of loans, purchases, payments, or other operations. Such price support shall be limited to wool and mohair marketed during the period beginning April 1, 1955, and ending March 31, 1959. The support price for shorn wool shall be at such incentive level as the Secretary, after consultation with producer representatives, and after taking into consideration prices paid and other cost conditions affecting sheep production, determines to be necessary in order to encourage an annual production consistent with the declared policy of this title: Provided, That the support price for shorn wool shall not exceed 110 per centum of the parity price therefor. If the support price so determined does not exceed 90 per centum of the parity price for shorn wool, the support price for shorn wool shall be at such level, not in excess of 90 per centum nor less than 60 per centum of the parity price therefor, as the Secretary determines necessary in order to encourage an annual

production of approximately three hundred and sixty million pounds of shorn wool. The support prices for pulled wool and for mohair shall be established at such levels, in relationship to the support price for shorn wool, as the Secretary determines will maintain normal marketing practices for pulled wool, and as the Secretary shall determine is necessary to maintain approximately the same percentage of parity for mohair as for shorn wool. The deviation of mohair support prices shall not be calculated so as to cause it to rise or fall more than 15 per centum above or below the comparable percentage of parity at which shorn wool is supported. Notwithstanding the foregoing, no price support shall be made available, other than through payments, at a level in excess of 90 per centum of the parity price for the commodity. The Secretary shall, to the extent practicable, announce the support price levels for wool and mohair sufficiently in advance of each marketing year as will permit producers to plan their production for such marketing year.

SEC. 704. If payments are utilized as a means of price support, the payments shall be such as the Secretary of Agriculture determines to be sufficient, when added to the national average price received by producers, to give producers a national average return for the commodity equal to the support price level therefor: Provided, That the total of all such payments made under this Act shall not at any time exceed an amount equal to 70 per centum of the accumulated totals, as of the same date, of the gross receipts from specific duties (whether or not such specific duties are parts of compound rates) collected on and after January 1, 1953, on all articles subject to duty under schedule 11 of the Tariff Act of 1930, as amended. The payments shall be made upon wool and mohair marketed by the producers thereof, but any wool or mohair produced prior to January 1, 1955, shall not be the subject of payments. The payments shall be at such rates for the marketing year or periods thereof as the Secretary determines will give producers the support price level as herein provided. Payments to any producer need not be made if the Secretary determines that the amount of the payment to the producer or all producers is too small to justify the cost of making such payments. The Secretary may make the payment to producers through the marketing agency to or through whom the producer marketed his wool or mohair: Provided, That such marketing agency agrees to receive and promptly distribute the payments on behalf of such producers. In case any person who is entitled to any such payment dies, becomes incompetent, or disappears before receiving such payment, or is succeeded by another who renders or completes the required performance, the payment shall, without regard to any other provisions of law, be made as the Secretary may determine to be fair and reasonable in all the circumstances and provided by regulation.

SEC. 705. For the purpose of reimbursing the Commodity Credit Corporation for any expenditures made by it in connection with payments to producers under this title, there is hereby appropriated for each fiscal year beginning with the fiscal year ending June 30, 1956, an amount equal to the total of expenditures made by the Corporation during the preceding fiscal year and to any amounts expended in prior fiscal years not previously reimbursed: Provided, however, that such amounts appropriated for any fiscal year shall not exceed 70 per centum of the gross receipts from specific duties (whether or not such specific duties are parts of compound rates) collected during the period January 1 to December 31, both inclusive, preceding the beginning of each such fiscal year on all articles subject to duty under schedule 11 of the Tariff Act of 1930,

as amended. For the purposes of the appraisal under the Act of March 8, 1938, as amended (15 U. S. C. 713a-1), the Commodity Credit Corporation shall establish on its books an account receivable in an amount equal to any amount expended by Commodity Credit Corporation in connection with payments pursuant to this title which has not been reimbursed from appropriations made hereunder.

SEC. 706. Except as otherwise provided in this title, the amounts, terms, and conditions of the price support operations and the extent to which such operations are carried out shall be determined or approved by the Secretary of Agriculture. The Secretary may, in determining support prices and rates of payment, make adjustments in such prices or rates for differences in grade, quality, type, location, and other factors to the extent he deems practicable and desirable. Determinations by the Secretary under this title shall be final and conclusive. The facts constituting the basis for any operation, payment, or amount thereof when officially determined in conformity with applicable regulations prescribed by the Secretary shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government.

SEC. 707. The term "marketing year" as used in this title means the twelve-month period beginning April 1 of each calendar year or, for either wool or mohair, such other period, or periods for prescribed areas, as the Secretary may determine to be desirable to effectuate the purpose of this title.

SEC. 708. The Secretary of Agriculture is authorized to enter into agreements with, or to approve agreements entered into between, marketing cooperatives, trade associations, or others engaged or whose members are engaged in the handling of wool, mohair, sheep, or goats or the products thereof for the purpose of developing and conducting on a National, State, or regional basis advertising and sales promotion programs for wool, mohair, sheep, or goats or the products thereof. Provision may be made in such agreement to obtain the funds necessary to defray the expenses incurred thereunder through pro rata deductions from the payments made under section 704 of this title to producers within the production area he determines will be benefited by the agreement and for the assignment and transfer of the amounts so deducted to the person or agency designated in the agreement to receive such amounts for expenditure in accordance with the terms and conditions of the agreement. No agreement containing such a provision for defraying expenses through deductions shall become effective until the Secretary determines that at least two-thirds of the producers who, during a representative period determined by the Secretary, have been engaged, within the production area he determines will be benefited by the agreement, in the production area for market of the commodity specified therein approve or favor such agreement or that producers who, during such representative period have produced at least two-thirds of the volume of such commodity produced within the area which will be benefited by such agreement, approve or favor such agreement. Approval or disapproval by cooperative associations shall be considered as approval or disapproval by the producers who are members of, stockholders in, or under contract with such cooperative association of producers. The Secretary may conduct a referendum among producers to ascertain their approval or favor. The requirements of approval or favor shall be held to be complied with if two-thirds of the total number of producers, or two-thirds of the total volume of production, as the case may be, represented in such referendum, indicate their approval or favor.

SEC. 709. Section 201 of the Agricultural Act of 1949 (7 U. S. C., sec. 1446) is amended effective April 1, 1955, (i) by deleting from the first sentence thereof the phrase "wool (including mohair)," and (ii) by deleting subsection (a) thereof relating to the support of wool and mohair.

SEC. 710. (a) The third sentence of section 2 (a) of the Commodity Exchange Act, as amended, is amended by inserting "wool," after the comma following "(Irish potatoes)".

(b) The amendment made by this section shall become effective sixty days after the date of enactment of this Act.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same with an amendment as follows: Amend the title so as to read: "An Act to provide for greater stability in agriculture; to augment the marketing and disposal of agricultural products; and for other purposes".

CLIFFORD R. HOPE,
WILLIAM S. HILL,
HAROLD D. COOLEY,
W. R. POAGE,

Managers on the Part of the House.

GEORGE D. AIKEN,
B. B. HICKENLOOPER,
ANDREW F. SCHOEPEL,
ALLEN J. ELLENDER,
SPESSARD L. HOLLAND,
CLINTON P. ANDERSON,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9680) to provide for the continued price support for agricultural products; to augment the marketing and disposal of such products; to provide for greater stability in agriculture; and for other purposes, submit the following statement in explanation of the effect of the act agreed upon and recommended in the accompanying conference report as to the amendment:

The amendment of the Senate struck out all after the enacting clause of the House bill and substituted the language of the Senate bill, S. 3052. The conferees have agreed to the Senate amendment with an amendment which is in the nature of a substitute. With the exception of minor and clarifying changes, following are the differences between the conference substitute and the bill passed by the House.

Price supports.—With the exception of milk and wool, no change is made in the price-support provisions of the House bill other than the inclusion of a section relating to extra long staple cotton. Price supports on the basic commodities, with the exception of tobacco, are to be on a flexible scale with a floor of 82½ percent for the 1955 crop. The support level for tobacco remains at 90 percent of parity. Mandatory price supports are continued on tung nuts and honey at from 60 to 90 percent of parity and Irish potatoes are made eligible for support along with all other nonmandatory commodities at zero to 90 percent of parity. The Senate provision relating to extra long staple cotton will establish price support for 1955 and subsequent years at the minimum level provided by the Agricultural Act of 1949. The support programs for milk and wool are discussed separately in this statement.

Transitional parity.—No change is made in the transitional parity provision, which will begin operation on January 1, 1956.

Diverted acres.—The House bill contained no provision relating to diverted acres. The Senate amendment contained a provision requiring certain action on the part of the Secretary of Agriculture whenever he determined that conditions were such that limitations on the use of diverted acres were necessary. The substitute has modified the Senate provision substantially and provides (1) that, in administering any programs for diverted acres, the Secretary may make his regulations applicable on an appropriate geographical basis; (2) that, in semiarid or other areas where good husbandry requires maintenance of a prudent feed reserve, regulations relating to diverted acres shall be administered in such a manner as to permit the production of forage crops for storage and subsequent use in the farm feeding operations; (3) that, in areas declared to be disaster areas under Public Law 875, 81st Congress, the regulations shall be administered in such a manner as will most quickly restore the normal pattern of the agriculture of such areas.

Support through processors.—The substitute contains, with a slight modification, the provision of the House bill that whenever price-

support or surplus-removal operations are carried out through purchases from, loans to, or payments to, processors the Secretary shall obtain assurances that the producers of the agricultural commodities involved will receive the maximum benefits from the price support or surplus removal operations.

Sale of CCC feed grains.—The Senate included in its amendment the provision of House Joint Resolution 563, approved by the House, providing that until March 1, 1955, the Commodity Credit Corporation may sell feed grains owned by it at the point of storage at the current support price plus 10 percent.

Set-aside of agricultural commodities.—The provisions relating to the set-aside are substantially those of the House bill, with the following major exceptions: (1) Corn has been eliminated from the list of commodities included in the set-aside. The Senate amendment did not include corn and the recent crop report showing a substantial decrease in the corn crop estimate for 1954 appears to affect substantially the need for including this commodity in the set-aside. (2) The House language was adopted for subsections 103 (a) (1) and 103 (a) (2). (3) The House language was adopted in section 105 with the addition of language making it clear that only those commodities in the national stockpile which are transferred from the set-aside are to be included in computation of total supplies for purposes of acreage allotment and marketing quotas. (4) In section 107 the conference accepted the Senate provision authorizing appropriations to cover transfers from the set-aside to the national stockpile, instead of direct cancellation of notes by the Treasury Department, as provided in the House bill.

Wheat "two-price system."—The committee of conference eliminated from the substitute amendment the provisions of the House bill authorizing a "two-price system" for wheat, and requiring that wheat producers be given an opportunity to vote on the adoption of such a program at the time they vote on quotas for the 1956 crop. Rejection of the House provision by the conference committee was not primarily on the merits of the two-price plan as opposed to other methods of carrying out a wheat support program, but was rather because the Senate conferees felt that the Senate had not had an adequate opportunity to study the plan.

While yielding to the Senate on the matter of including this legislative provision in the present bill, the House conferees look upon the two-price system as being a definite improvement over any other existing method of providing price supports for wheat producers. They also regard the two-price system as providing the most equitable solution to the problems of many small wheat producers and those who produce wheat primarily for use as feed on their own farms. The provisions establishing a commercial and noncommercial wheat area, which are included in the substitute amendment, will be some solution to the problems of the small, noncommercial wheat producer in the States that are declared to be out of the commercial area, but will, of course, be no help to those in the commercial wheat States. The committee intends to continue the study of the problems of the small and noncommercial wheat farmer along with its continued study of the two-price plan.

Commercial wheat-producing area.—Both the House bill and the Senate amendment contained provisions relating to the establishment

of a commercial wheat-producing area. The principle of this provision is that producers in the commercial wheat area would be subject to acreage allotments and marketing quotas when required by law, while producers in the noncommercial area would not be subject to these limitations and would receive only 75 percent of the level of support accorded producers in the commercial areas.

The House provision eliminated from the commercial wheat-producing area States which had an acreage allotment of 2,500 acres or less. This would have eliminated from the commercial area, on the basis of 1954 allotments, the States of Connecticut, Florida, Louisiana, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. The Senate provision would have established the commercial wheat area on the basis of both State and county acreages and would have eliminated in toto all States having an annual average of less than 150,000 acres. In addition, many counties in other States would have been outside the commercial area. This provision had never been proposed in the House and the conferees on the part of the House, while not disagreeing in principle with the objectives of the Senate provision, felt that it was too far reaching to be adopted without careful study.

The conferees agreed, therefore, on the basic wording of the House provision relating to the commercial wheat area, but increased to 25,000 acres the dividing point between States which will be in or outside of the commercial area. According to the best information available to the committee, this will place in the noncommercial area the eight States included under the House provision and, in addition, Alabama, Mississippi, Arizona, and Nevada. There is no postponement of the effective date of this provision and the committee understands that the Department of Agriculture will probably be able to put it into effect in connection with the 1955 crop.

Date of wheat-marketing quota and acreage-allotment proclamation.—The House bill had changed the date on which the Secretary must proclaim wheat-marketing quotas and acreage allotments from July 15 to April 15. The Senate bill set the date at July 1. The substitute establishes the date for proclaiming marketing quotas and acreage allotments on wheat at May 15.

Summer fallow acreage adjustments.—The House bill contained a provision making adjustments in the 1955 wheat acreage allotment for farms which practice summer fallow rotation of wheat. The Senate amendment contained a similar provision but with a different formula for making the adjustment. The substitute has followed the formula of the Senate amendment with an amendment which makes it clear that the adjustment is to be applied to not more than 640 acres of wheat history on any farm. Under the provision as agreed to, any farmer with a base of less than 640 acres of wheat for purposes of the adjustment section would receive an adjustment on his full base acreage. A farmer with a base larger than 640 acres would receive a summer fallow adjustment for only 640 acres. Thus, if a farmer with a 2,000-acre farm had been planting half of it to wheat each year, he would receive his normal allotment on the 1,000-acre base. On 640 acres of his base he would be entitled to the summer fallow adjustment in 1955 and would receive the additional acres resulting from that adjustment in addition to his base allotment.

“Normal supply” of cotton.—The substitute amendment agreed to by the conferees makes no change in the definition of normal supply

for cotton. The House bill had contained a provision changing the definition of normal supply from 130 to 120 percent of domestic consumption plus exports. The conference accepted a House provision giving county committees wider discretion in allocating cotton acreage on a history basis.

Peanuts.—The House bill contained several provisions relating to marketing quotas and marketing penalties on peanuts. These provisions have all been eliminated from the conference substitute.

Voluntary surrender of cotton and wheat allotments.—The substitute amendment makes permanent the provision for voluntary surrender by a farmer of his cotton allotment and includes for 1955 a similar provision as to wheat.

"Normal supply" of corn and wheat.—The conference agreed to a Senate provision increasing the allowance for carryover from 10 percent of domestic consumption plus exports in the case of corn and 15 percent in the case of wheat to 15 and 20 percent, respectively.

Normal yield for corn.—The conference agreed to Senate provisions which will change the base period for determining normal yield for corn for counties and for farms from 10 years to 5 years.

Wool.—The substitute provisions relating to a wool price-support program are similar to the House language, with the following major exceptions: (1) The effective date of the authorized wool support program is for the 4 years starting April 1, 1955, instead of for 2 years starting April 1, 1954; (2) the deviation between wool and mohair support levels is placed at not to exceed 15 percent, instead of 10 percent as in the House bill; and (3) price supports may not be made available, other than through payments, at a level in excess of 90 percent of parity.

Wool futures.—The conference accepted the Senate provision making trading in wool subject to the jurisdiction of the Commodity Exchange Authority.

Dairy price supports.—The substitute amendment has eliminated (1) the provision of the House bill establishing dairy supports at 80 percent of parity for the period September 1, 1954, to March 31, 1955; (2) the new formula for computing milk price support levels; and (3) the requirement that the Secretary continue to use the existing formula for computing the parity equivalent for manufacturing milk. The substitute amendment retained the House provision authorizing the use of not to exceed \$50 million annually of Commodity Credit Corporation funds for the next 2 years to increase the consumption of fluid milk by school children and the inclusion of "milk" along with "the products of milk and butterfat" as eligible for price-support loans or purchases. The amendment makes no other change in the method of price supports but provides that until March 31, 1956, the Secretary may use "any method" he determines to be necessary to dispose of surplus stocks of dairy products owned by the Commodity Credit Corporation.

Other dairy provisions.—The conference substitute for the Senate amendment contains also the following dairy provisions of the House bill: (1) The legislative findings, the direction to use existing law to dispose of accumulated dairy surpluses, and the direction to the Secretary to make a study and report to Congress on various dairy support and production and control methods—all three without substantial change; (2) the authority for use of surplus dairy products by the

armed services and in veterans' hospitals, with the inclusion of milk for purposes of this program and with a termination date of December 31, 1956, on this disposal authority; and (3) authority for an accelerated brucellosis program during the next 2 years with the addition of authority for annual appropriations to reimburse the Commodity Credit Corporation for funds expended in the program. The substitute eliminates from the bill the House provision authorizing Commodity Credit Corporation to make contracts for as long as 5 years in order to encourage establishment in foreign countries of recombining plants to provide new markets for American dairy products.

Rice.—The substitute amendment contains the House provision directing the Secretary of Agriculture to make a study and report to Congress on the various proposals for applying a two-price support program to rice.

Eligibility for ACP payments.—The substitute amendment contains the Senate provision making compliance with acreage allotments on basic crops a requirement for eligibility for ACP payments, with amendments making the following changes in the Senate language: (1) making the provision apply only to farmers who "knowingly harvest" crops in excess of their allotment, after a determination by the Secretary that the farmer's plantings are in excess of his allotment; and, (2) requiring that the Secretary give farmers a reasonable opportunity to get into compliance on plantings of basic crops after they are found to be in excess of the allotment. Although the application of this general provision to the ACP program will not be possible in the current year, it is the intention of the committee that the provision relating to permitting farmers an opportunity to adjust their basic crops so as to comply with the acreage allotments will be effective for the 1954 crop on those crops which have not yet reached the harvest stage.

Production on land leased from the Government.—The conference committee eliminated from the bill the Senate provision prohibiting allotment of any acreage for production of an allotted crop on land leased from the Government. While agreeing that this is probably a subject on which some action should be taken, the committee felt that it was a matter of such importance to the persons involved that further study should be made of it. Chairmen of both the House and Senate managers stated their intention of calling upon the various departments of Government leasing land for agricultural production to report on the quantity of land involved and the nature of such production.

ACP program.—The substitute amendment contains a Senate provision relating to the transfer of the ACP program to the States upon enactment of adequate State laws and the approval of satisfactory State plans and providing for the continuation in such event of State, county, and local farmer committees to carry on other functions. It also contains a Senate provision making permissive, rather than mandatory, the fixing of a fair price by the Secretary of Agriculture for conservation materials and services.

Terms of county committeemen.—The conferees agreed to include a Senate provision prohibiting the Secretary of Agriculture from imposing any limitation upon the number of terms for which members of county committees may be reelected.

Agricultural attachés.—The substitute amendment includes numerous relatively minor changes made by the Senate in the House language of the provisions relating to agricultural attachés. These do not affect the purposes or the policies of the provisions and are in general perfecting language which has been agreed to by the executive departments concerned.

Marketing agreements and orders.—The substitute amendment contains two provisions relating to marketing agreements and orders which were not in the House bill: (1) authorizing marketing orders to continue in operation during periods when the price of the regulated commodity is at or above parity; and (2) including grapefruit for canning or freezing in those commodities for which marketing orders may be issued and providing special qualifications for the issuance and operation of orders applicable to grapefruit for canning and freezing.

Regulation of imported fruits and vegetables.—This section follows generally the wording of the House bill but adds the provision that the prohibition shall not apply to shipments into continental United States from Puerto Rico or any Territory or possession where the Marketing Agreements Act has force and effect, and also a provision that if the Secretary finds that the terms and provisions of a domestic marketing agreement or order are not applicable to similar imported fruits or vegetables, he shall establish regulations for such imports which are comparable or equivalent to those imposed on the domestic commodity.

Regulation of grazing on national forests.—The substitute amendment agreed to by the committee of conference eliminates the amendment of the Senate relating to the regulation of grazing on the national forests. The language of the Senate amendment on this subject was similar to the bill (S. 2548) which has passed the Senate and been referred to the House Committee on Agriculture, but it has not been reported by that committee.

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HAROLD D. COOLEY,
W. R. POAGE,

Managers on the Part of the House.

