



Food Security Act of 1985 Pub. L. No. 99-198, 99 Stat. 1354

Part 3 of 4

Title XII-Conservation (pp. 1504-1518)

Title XIII-Credit (pp. 1518-1542)

Title XIV-Agricultural Research, Extension, & Teaching (pp. 1542-1566)

Title XV-Food Stamp & Related Provisions (pp. 1566-1597)

TITLE XII—CONSERVATION

SUBTITLE A—DEFINITIONS

DEFINITIONS

Post, pp. 1506-
1514.
16 USC 3801.

SEC. 1201. (a) For purposes of subtitles A through E:

(1) The term "agricultural commodity" means—

(A) any agricultural commodity planted and produced in a State by annual tilling of the soil, including tilling by one-trip planters; or

(B) sugarcane planted and produced in a State.

(2) The term "conservation district" means any district or unit of State or local government formed under State or territorial law for the express purpose of developing and carrying out a local soil and water conservation program. Such district or unit of government may be referred to as a "conservation district", "soil conservation district", "soil and water conservation district", "resource conservation district", "natural resource district", "land conservation committee", or a similar name.

(3) The term "cost sharing payment" means a payment made by the Secretary to an owner or operator of a farm or ranch containing highly erodible cropland under the provisions of section 1234 (b) of this Act.

(4)(A) The term "converted wetland" means wetland that has been drained, dredged, filled, leveled, or otherwise manipulated (including any activity that results in impairing or reducing the flow, circulation, or reach of water) for the purpose or to have the effect of making the production of an agricultural commodity possible if—

(i) such production would not have been possible but for such action; and

(ii) before such action—

(I) such land was wetland; and

(II) such land was neither highly erodible land nor highly erodible cropland.

Prohibition.

(B) Wetland shall not be considered converted wetland if production of an agricultural commodity on such land during a crop year—

(i) is possible as a result of a natural condition, such as drought; and

(ii) is not assisted by an action of the producer that destroys natural wetland characteristics.

(5) The term "field" means such term as is defined in section 718.2(b)(9) of title 7 of the Code of Federal Regulations (as of January 1, 1985), except that any highly erodible land on which an agricultural commodity is produced after the date of enactment of this Act and that is not exempt under section 1212 shall be considered as part of the field in which such land was included on such date, unless the Secretary permits modification of the boundaries of the field to carry out subtitles A through E.

Post, p. 1506.

(6) The term "highly erodible cropland" means highly erodible land that is in cropland use, as determined by the Secretary.

(7)(A) The term "highly erodible land" means land—

(i) that is classified by the Soil Conservation Service as class IV, VI, VII, or VIII land under the land capability classification system in effect on the date of the enactment of this Act; or

(ii) that has, or that if used to produce an agricultural commodity, would have an excessive average annual rate of erosion in relation to the soil loss tolerance level, as established by the Secretary, and as determined by the Secretary through application of factors from the universal soil loss equation and the wind erosion equation, including factors for climate, soil erodibility, and field slope.

(B) For purposes of this paragraph, the land capability class or rate of erosion for a field shall be that determined by the Secretary to be the predominant class or rate of erosion under regulations issued by the Secretary.

Regulations.

(8) The term “hydric soil” means soil that, in its undrained condition, is saturated, flooded, or ponded long enough during a growing season to develop an anaerobic condition that supports the growth and regeneration of hydrophytic vegetation.

(9) The term “hydrophytic vegetation” means a plant growing in—

(A) water; or

(B) a substrate that is at least periodically deficient in oxygen during a growing season as a result of excessive water content.

(10) The term “in-kind commodities” means commodities that are normally produced on land that is the subject of an agreement entered into under subtitle D.

Post, p. 1509.

(11) The term “rental payment” means a payment made by the Secretary to an owner or operator of a farm or ranch containing highly erodible cropland to compensate the owner or operator for retiring such land from crop production and placing such land in the conservation reserve in accordance with subtitle D.

(12) The term “Secretary” means the Secretary of Agriculture.

(13) The term “shelterbelt” means a vegetative barrier with a linear configuration composed of trees, shrubs, and other approved perennial vegetation.

(14) The term “State” means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

(15) The term “vegetative cover” means—

(A) perennial grasses, legumes, forbs, or shrubs with an expected life span of 5 or more years; or

(B) trees.

(16) The term “wetland”, except when such term is part of the term “converted wetland”, means land that has a predominance of hydric soils and that is inundated or saturated by surface or groundwater at a frequency and duration sufficient to support, and that under normal circumstances does support, a prevalence of hydrophytic vegetation typically adapted for life in saturated soil conditions.

(b) The Secretary shall develop—

- (1) criteria for the identification of hydric soils and hydrophytic vegetation; and
- (2) lists of such soils and such vegetation.

SUBTITLE B—HIGHLY ERODIBLE LAND CONSERVATION

PROGRAM INELIGIBILITY

16 USC 3811.
Infra.

SEC. 1211. Except as provided in section 1212, and notwithstanding any other provision of law, following the date of enactment of this Act, any person who in any crop year produces an agricultural commodity on a field on which highly erodible land is predominate shall be ineligible for—

(1) as to any commodity produced during that crop year by such person—

(A) any type of price support or payment made available under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), or any other Act;

Loans.

(B) a farm storage facility loan made under section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h));

Ante, p. 1503.

(C) crop insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.);

Disaster assistance.

(D) a disaster payment made under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.); or

Loans.

(E) a loan made, insured, or guaranteed under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) or any other provision of law administered by the Farmers Home Administration, if the Secretary determines that the proceeds of such loan will be used for a purpose that will contribute to excessive erosion of highly erodible land; or

(2) a payment made under section 4 or 5 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b or 714c) during such crop year for the storage of an agricultural commodity acquired by the Commodity Credit Corporation.

EXEMPTIONS

Prohibitions.
Loans.
16 USC 3812.

SEC. 1212. (a)(1) During the period beginning on the date of the enactment of this Act and ending on the later of January 1, 1990, or the date that is 2 years after the date land on which a crop of an agricultural commodity is produced was mapped by the Soil Conservation Service for purposes of classifying such land under the land capability classification system in effect on the date of enactment of this Act, except as provided in paragraph (2), no person shall become ineligible under section 1211 for program loans, payments, and benefits as the result of the production of a crop of an agricultural commodity on any land that was—

(A) cultivated to produce any of the 1981 through 1985 crops of an agricultural commodity; or

(B) set aside, diverted or otherwise not cultivated under a program administered by the Secretary for any such crops to reduce production of an agricultural commodity.

Supra.

(2) If, as of January 1, 1990, or 2 years after the Soil Conservation Service has completed a soil survey for the farm, whichever is later,

a person is actively applying a conservation plan based on the local Soil Conservation Service technical guide and approved by the local soil conservation district, in consultation with the local committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) and the Secretary, or by the Secretary, such person shall have until January 1, 1995, to comply with the plan without being subject to program ineligibility.

(b) No person shall become ineligible under section 1211 for program loans, payments, and benefits as the result of the production of a crop of an agricultural commodity—

Ante, p. 1506.

- (1) planted before the date of enactment of this Act;
- (2) planted during any crop year beginning before the date of enactment of this Act;

(3) on highly erodible land in an area—

(A) within a conservation district, under a conservation system that has been approved by a conservation district after the district has determined that the conservation system is in conformity with technical standards set forth in the Soil Conservation Service technical guide for such district; or

(B) not within a conservation district, under a conservation system determined by the Secretary to be adequate for the production of such agricultural commodity on any highly erodible land subject to this title; or

- (4) on highly erodible land that is planted in reliance on a determination by the Soil Conservation Service that such land was not highly erodible land, except that this paragraph shall not apply to any agricultural commodity that was planted on any land after the Soil Conservation Service determines that such land is highly erodible land.

(c) Section 1211 shall not apply to a loan described in section 1211 made before the date of enactment of this Act.

SOIL SURVEYS

SEC. 1213. The Secretary shall, as soon as is practicable after the date of enactment of this Act, complete soil surveys on those private lands that do not have a soil survey suitable for use in determining the land capability class for purposes of this subtitle. In carrying out this section, the Secretary shall, insofar as possible, concentrate on those localities where significant amounts of highly erodible land are being converted to the production of agricultural commodities.

16 USC 3813.

Subtitle C—Wetland Conservation

PROGRAM INELIGIBILITY

SEC. 1221. Except as provided in section 1222 and notwithstanding any other provision of law, following the date of enactment of this Act, any person who in any crop year produces an agricultural commodity on converted wetland shall be ineligible for—

16 USC 3821.
Post, p. 1508.

- (1) as to any commodity produced during that crop year by such person—

(A) any type of price support or payment made available under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), or any other Act;

- Loans. (B) a farm storage facility loan made under section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h));
- Ante*, p. 1503. (C) crop insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.);
- Disaster assistance. (D) a disaster payment made under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), or
- Loans. (E) a loan made, insured, or guaranteed under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) or any other provision of law administered by the Farmers Home Administration, if the Secretary determines that the proceeds of such loan will be used for a purpose that will contribute to conversion of wetlands (other than as provided in this subtitle) to produce an agricultural commodity; or
- (2) a payment made under section 4 or 5 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b or 714c) during such crop year for the storage of an agricultural commodity acquired by the Commodity Credit Corporation.

EXEMPTIONS

- Prohibitions. **SEC. 1222.** (a) No person shall become ineligible under section 1221 for program loans, payments, and benefits as the result of the production of a crop of an agricultural commodity on—
- Loans. (1) converted wetland if the conversion of such wetland was commenced before the date of enactment of this Act;
- Ante*, p. 1507. (2) an artificial lake, pond, or wetland created by excavating or diking non-wetland to collect and retain water for purposes such as water for livestock, fish production, irrigation (including subsurface irrigation), a settling basin, cooling, rice production, or flood control;
- 16 USC 3822. (3) a wet area created by a water delivery system, irrigation, irrigation system, or application of water for irrigation; or
- Livestock. (4) wetland on which production of an agricultural commodity is possible as a result of a natural condition, such as drought, and without action by the producer that destroys a natural wetland characteristic.
- Fish and fishing. (b) Section 1221 shall not apply to a loan described in section 1221 made before the date of enactment of this Act.
- Flood control. (c) The Secretary may exempt a person from section 1221 for any action associated with the production of an agricultural commodity on converted wetland if the effect of such action, individually and in connection with all other similar actions authorized by the Secretary in the area, on the hydrological and biological aspect of wetland is minimal.

CONSULTATION WITH SECRETARY OF THE INTERIOR

- 16 USC 3823. **SEC. 1223.** The Secretary shall consult with the Secretary of the Interior on such determinations and actions as are necessary to carry out this subtitle, including—
- (1) the identification of wetland;
- (2) the determination of exemptions under section 1222; and
- (3) the issuance of regulations under section 1244 to carry out this subtitle.
- Regulations. *Post*, p. 1515.

Subtitle D—Conservation Reserve

CONSERVATION RESERVE

SEC. 1231. (a) During the 1986 through 1990 crop years, the Secretary shall formulate and carry out a conservation reserve program, in accordance with this subtitle, through contracts to assist owners and operators of highly erodible cropland in conserving and improving the soil and water resources of their farms or ranches.

Contracts.
16 USC 3831.

(b) The Secretary shall enter into contracts with owners and operators of farms and ranches containing highly erodible cropland to place in the conservation reserve—

- (1) during the 1986 crop year, not less than 5, nor more than 45, million acres;
- (2) during the 1986 through 1987 crop years, a total of not less than 15, nor more than 45, million acres;
- (3) during the 1986 through 1988 crop years, a total of not less than 25, nor more than 45, million acres;
- (4) during the 1986 through 1989 crop years, a total of not less than 35, nor more than 45, million acres; and
- (5) during the 1986 through 1990 crop years, a total of not less than 40, nor more than 45, million acres.

(c)(1)(A) Notwithstanding subsection (b), effective for each of the fiscal years 1986 through 1989, the Secretary may reduce by up to 25 percent the number of acres of highly erodible land required to be placed under contract during each fiscal year if the Secretary determines that the rental payments to be made under section 1233(b) on such acres are likely to be significantly lower in the succeeding year.

Post, p. 1511.

(B) Paragraph (A) shall not affect the requirements of paragraph (5) of subsection (b).

Prohibition.

(2) The Secretary may include in the program established under this subtitle lands that are not highly erodible lands but that pose an off-farm environmental threat or, if permitted to remain in production, pose a threat of continued degradation of productivity due to soil salinity.

(d) Under the program established under this subtitle, the Secretary shall not place under contract more than 25 percent of the cropland in any one county, except that the Secretary may exceed the limitation established by this subsection in a county to the extent that the Secretary determines that such action would not adversely affect the local economy of such county.

Prohibition.

(e) For the purpose of carrying out this subtitle, the Secretary shall enter into contracts of not less than 10, nor more than 15, years.

DUTIES OF OWNERS AND OPERATORS

SEC. 1232. (a) Under the terms of a contract entered into under this subtitle, during the term of such contract, an owner or operator of a farm or ranch must agree—

Contracts.
16 USC 3832.

- (1) to implement a plan approved by the local conservation district (or in an area not located within a conservation district, a plan approved by the Secretary) for converting highly erodible cropland normally devoted to the production of an agricultural commodity on the farm or ranch to a less intensive use (as defined by the Secretary), such as pasture, permanent grass,

legumes, forbs, shrubs, or trees, substantially in accordance with a schedule outlined in the plan;

(2) to place highly erodible cropland subject to the contract in the conservation reserve established under this subtitle;

(3) not to use such land for agricultural purposes, except as permitted by the Secretary;

(4) to establish approved vegetative cover on such land;

(5) on the violation of a term or condition of the contract at any time the owner or operator has control of such land—

(A) to forfeit all rights to receive rental payments and cost sharing payments under the contract and to refund to the Secretary any rental payments and cost sharing payments received by the owner or operator under the contract, together with interest thereon as determined by the Secretary, if the Secretary, after considering the recommendations of the soil conservation district and the Soil Conservation Service, determines that such violation is of such nature as to warrant termination of the contract; or

(B) to refund to the Secretary, or accept adjustments to, the rental payments and cost sharing payments provided to the owner or operator, as the Secretary considers appropriate, if the Secretary determines that such violation does not warrant termination of the contract;

(6) on the transfer of the right and interest of the owner or operator in land subject to the contract—

(A) to forfeit all rights to rental payments and cost sharing payments under the contract; and

(B) to refund to the United States all rental payments and cost sharing payments received by the owner or operator, or accept such payment adjustments or make such refunds as the Secretary considers appropriate and consistent with the objectives of this subtitle,

unless the transferee of such land agrees with the Secretary to assume all obligations of the contract;

(7) not to conduct any harvesting or grazing, nor otherwise make commercial use of the forage, on land that is subject to the contract, nor adopt any similar practice specified in the contract by the Secretary as a practice that would tend to defeat the purposes of the contract, except that the Secretary may permit harvesting or grazing or other commercial use of the forage on land that is subject to the contract in response to a drought or other similar emergency;

(8) not to conduct any planting of trees on land that is subject to the contract unless the contract specifies that the harvesting and commercial sale of trees such as Christmas trees are prohibited, nor otherwise make commercial use of trees on land that is subject to the contract unless it is expressly permitted in the contract, nor adopt any similar practice specified in the contract by the Secretary as a practice that would tend to defeat the purposes of the contract, except that no contract shall prohibit activities consistent with customary forestry practice, such as pruning, thinning, or stand improvement of trees, on lands converted to forestry use;

(9) not to adopt any practice specified by the Secretary in the contract as a practice that would tend to defeat the purposes of this subtitle; and

Prohibition.
Forests and
forest products.

(10) to comply with such additional provisions as the Secretary determines are desirable and are included in the contract to carry out this subtitle or to facilitate the practical administration thereof.

(b) The plan referred to in subsection (a)(1)—

(1) shall set forth—

(A) the conservation measures and practices to be carried out by the owner or operator during the term of the contract; and

(B) the commercial use, if any, to be permitted on the land during such term; and

(2) may provide for the permanent retirement of any existing cropland base and allotment history for the land.

(c) To the extent practicable, not less than one eighth of the number of acres of land that is placed in the conservation reserve under this subtitle in each of the 1986 through 1990 crop years shall be devoted to trees.

DUTIES OF THE SECRETARY

SEC. 1233. In return for a contract entered into by an owner or operator under section 1232, the Secretary shall—

Contracts.
16 USC 3833.
Ante, p. 1509.

(1) share the cost of carrying out the conservation measures and practices set forth in the contract for which the Secretary determines that cost sharing is appropriate and in the public interest;

(2) for a period of years not in excess of the term of the contract, pay an annual rental payment in an amount necessary to compensate for—

(A) the conversion of highly erodible cropland normally devoted to the production of an agricultural commodity on a farm or ranch to a less intensive use; and

(B) the retirement of any cropland base and allotment history that the owner or operator agrees to retire permanently; and

(3) provide conservation technical assistance to assist the owner or operator in carrying out the contract.

PAYMENTS

SEC. 1234. (a) The Secretary shall provide payment for obligations incurred by the Secretary under a contract entered into under this subtitle—

Contracts.
16 USC 3834.

(1) with respect to any cost-sharing payment obligation incurred by the Secretary, as soon as possible after the obligation is incurred; and

(2) with respect to any annual rental payment obligation incurred by the Secretary—

(A) as soon as practicable after October 1 of each calendar year; or

(B) at the discretion of the Secretary, at any time prior to such date during the year that the obligation is incurred.

(b) In making cost sharing payments to owners and operators under contracts entered into under this subtitle, the Secretary shall pay 50 percent of the cost of establishing conservation measures and practices set forth in such contracts for which the Secretary determines that cost-sharing is appropriate and in the public interest.

- (c)(1) In determining the amount of annual rental payments to be paid to owners and operators for converting highly erodible cropland normally devoted to the production of an agricultural commodity to less intensive use, the Secretary may consider, among other things, the amount necessary to encourage owners or operators of highly erodible cropland to participate in the program established by this subtitle.
- (2) The amounts payable to owners or operators in the form of rental payments under contracts entered into under this subtitle may be determined through—
- (A) the submission of bids for such contracts by owners and operators in such manner as the Secretary may prescribe; or
 - (B) such other means as the Secretary determines are appropriate.
- (3) In determining the acceptability of contract offers, the Secretary may—
- (A) take into consideration the extent of erosion on the land that is the subject of the contract and the productivity of the acreage diverted;
 - (B) where appropriate, accept contract offers that provide for the establishment of—
 - (i) shelterbelts and windbreaks; or
 - (ii) permanently vegetated stream borders, filter strips of permanent grass, forbs, shrubs, and trees that will reduce sedimentation substantially;
 - (C) establish different criteria in various States and regions of the United States to determine the extent to which erosion may be abated; and
 - (D) give priority to offers made by owners and operators who are subject to the highest degree of economic stress, such as a general tightening of agricultural credit or an unfavorable relationship between production costs and prices received for agricultural commodities.
- (d)(1) Except as otherwise provided in this section, payments under this subtitle—
- (A) shall be made in cash or in commodities in such amount and on such time schedule as is agreed on and specified in the contract; and
 - (B) may be made in advance of determination of performance.
- (2) If such payment is made with in-kind commodities, such payment shall be made by the Commodity Credit Corporation—
- (A) by delivery of the commodity involved to the owner or operator at a warehouse or other similar facility located in the county in which the highly erodible cropland is located or at such other location as is agreed to by the Secretary and the owner or operator;
 - (B) by the transfer of negotiable warehouse receipts; or
 - (C) by such other method, including the sale of the commodity in commercial markets, as is determined by the Secretary to be appropriate to enable the owner or operator to receive efficient and expeditious possession of the commodity.
- (3) If stocks of a commodity acquired by the Commodity Credit Corporation are not readily available to make full payment in kind to the owner or operator, the Secretary may substitute full or partial payment in cash for payment in kind.
- (e) If an owner or operator who is entitled to a payment under a contract entered into under this subtitle dies, becomes incompetent,

is otherwise unable to receive such payment, or is succeeded by another person who renders or completes the required performance, the Secretary shall make such payment, in accordance with regulations prescribed by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all of the circumstances.

(f)(1) The total amount of rental payments, including rental payments made in the form of in-kind commodities, made to an owner or operator under this subtitle for any fiscal year may not exceed \$50,000.

Prohibition.

(2)(A) The Secretary shall issue regulations—

Regulations.

- (i) defining the term "person" as used in this subsection; and
- (ii) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitation contained in this subsection.

(B) The regulations issued by the Secretary on December 18, 1970, under section 101 of the Agricultural Act of 1970 (7 U.S.C. 1307), shall be used to determine whether corporations and their stockholders may be considered as separate persons under this subsection.

(3) Rental payments received by an owner or operator shall be in addition to, and not affect, the total amount of payments that such owner or operator is otherwise eligible to receive under this Act or the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.).

CONTRACTS

SEC. 1235. (a)(1) No contract shall be entered into under this subtitle concerning land with respect to which the ownership has changed in the 3-year period preceding the first year of the contract period unless—

Prohibition.
16 USC 3835.

(A) the new ownership was acquired by will or succession as a result of the death of the previous owner;

(B) the new ownership was acquired before January 1, 1985;

or

(C) the Secretary determines that the land was acquired under circumstances that give adequate assurance that such land was not acquired for the purpose of placing it in the program established by this subtitle.

(2) Paragraph (1) shall not—

Prohibitions.

(A) prohibit the continuation of an agreement by a new owner after an agreement has been entered into under this subtitle; or

(B) require a person to own the land as a condition of eligibility for entering into the contract if the person—

- (i) has operated the land to be covered by a contract under this section for at least 3 years preceding the date of the contract or since January 1, 1985, whichever is later; and
- (ii) controls the land for the contract period.

(b) If during the term of a contract entered into under this subtitle an owner or operator of land subject to such contract sells or otherwise transfers the ownership or right of occupancy of such land, the new owner or operator of such land may—

(1) continue such contract under the same terms or conditions;

(2) enter into a new contract in accordance with this subtitle;

or

- (3) elect not to participate in the program established by this subtitle.
- (c)(1) The Secretary may modify a contract entered into with an owner or operator under this subtitle if—
- (A) the owner or operator agrees to such modification; and
 - (B) the Secretary determines that such modification is desirable—
 - (i) to carry out this subtitle;
 - (ii) to facilitate the practical administration of this subtitle; or
 - (iii) to achieve such other goals as the Secretary determines are appropriate, consistent with this subtitle.
- (2) The Secretary may modify or waive a term or condition of a contract entered into under this subtitle in order to permit all or part of the land subject to such contract to be devoted to the production of an agricultural commodity during a crop year, subject to such conditions as the Secretary determines are appropriate.
- (d)(1) The Secretary may terminate a contract entered into with an owner or operator under this subtitle if—
- (A) the owner or operator agrees to such termination; and
 - (B) the Secretary determines that such termination would be in the public interest.
- (2) At least 90 days before taking any action to terminate under paragraph (1) all conservation reserve contracts entered into under this subtitle, the Secretary shall provide written notice of such action to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

BASE HISTORY

16 USC 3836.

SEC. 1236. (a) A reduction, based on a ratio between the total cropland acreage on the farm and the acreage placed in the conservation reserve authorized by this subtitle, as determined by the Secretary, shall be made during the period of the contract, in the aggregate, in crop bases, quotas, and allotments on the farm with respect to crops for which there is a production adjustment program.

Regulations.
Contracts.
Ante, pp. 1506,
1507.

(b) Notwithstanding sections 1211 and 1221, the Secretary, by appropriate regulation, may provide for preservation of cropland base and allotment history applicable to acreage converted from the production of agricultural commodities under this section, for the purpose of any Federal program under which the history is used as a basis for participation in the program or for an allotment or other limitation in the program, unless the owner and operator agree under the contract to retire permanently that cropland base and allotment history.

Subtitle E—Administration

USE OF COMMODITY CREDIT CORPORATION

16 USC 3841.

SEC. 1241. (a)(1) During each of the fiscal years ending September 30, 1986, and September 30, 1987, the Secretary shall use the facilities, services, authorities, and funds of the Commodity Credit Corporation to carry out subtitle D.

Ante, p. 1509.
Prohibition.

(2) During the fiscal year ending September 30, 1988, and each fiscal year thereafter, the Secretary may use the facilities, services, authorities, and funds of the Commodity Credit Corporation to carry out subtitle D, except that the Secretary may not use funds of the

Corporation for such purpose unless the Corporation has received funds to cover such expenditures from appropriations made to carry out this subtitle.

(b) The authority provided by subtitles (A) through (E) shall be in addition to, and not in place of, other authority granted to the Secretary and the Commodity Credit Corporation.

Ante, pp. 1504-1514.

USE OF OTHER AGENCIES

SEC. 1242. (a) In carrying out subtitles B, C, and D, the Secretary shall use the services of local, county, and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)).

16 USC 3842.
Ante, pp. 1506, 1507, 1509.

(b)(1) In carrying out subtitle D, the Secretary may utilize the services of the Soil Conservation Service and the Forest Service, the Fish and Wildlife Service, State forestry agencies, State fish and game agencies, land-grant colleges, local, county, and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h), soil and water conservation districts, and other appropriate agencies.

Schools and colleges.

(2) In carrying out subtitle D at the State and county levels, the Secretary shall consult with, to the extent practicable, the Fish and Wildlife Service, State forestry agencies, State fish and game agencies, land-grant colleges, soil-conservation districts, and other appropriate agencies.

Schools and colleges.

ADMINISTRATION

SEC. 1243. (a) The Secretary shall establish, by regulation, an appeal procedure under which a person who is adversely affected by any determination made under subtitles A through E may seek review of such determination.

Regulations.
16 USC 3843.

(b) Ineligibility under section 1211 or 1212 of a tenant or sharecropper for benefits shall not cause a landlord to be ineligible for benefits for which the landlord would otherwise be eligible with respect to commodities produced on lands other than those operated by the tenant or sharecropper.

Ante, p. 1506.

(c) In carrying out subtitles B through E, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under the program established by subtitle D.

REGULATIONS

SEC. 1244. Not later than 180 days after the date of enactment of this Act, the Secretary shall issue such regulations as the Secretary determines are necessary to carry out subtitles A through E, including regulations that—

16 USC 3844.

(1) define the term "person";

(2) govern the determination of persons who shall be ineligible for program benefits under subtitles B and C, so as to ensure a fair and reasonable determination of ineligibility; and

(3) protect the interests of landlords, tenants, and sharecroppers.

AUTHORIZATION FOR APPROPRIATIONS

16 USC 3845. **SEC. 1245.** There are authorized to be appropriated without fiscal year limitation such sums as may be necessary to carry out subtitles A through E.

Ante, pp. 1504-1514.

Subtitle F—Other Conservation Provisions

TECHNICAL ASSISTANCE FOR WATER RESOURCES

State and local governments.
16 USC 2005a. **SEC. 1251.** (a) Notwithstanding any other provision of law, the Secretary of Agriculture may formulate plans and provide technical assistance to property owners and agencies of State and local governments and interstate river basin commissions, at their request, to—

- (1) protect the quality and quantity of subsurface water, including water in the Nation's aquifers;
- (2) enable property owners to reduce their vulnerability to flood hazards that also may affect water resources; and
- (3) control the salinity in the Nation's agricultural water resources.

Report. (b) The Secretary shall submit by February 15, 1987, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report evaluating the plans and technical assistance authorized in subsection (a). Such report shall include any recommendations as to whether the plan and assistance should be extended, how any plan and assistance could be improved, and any other relevant information and data relating to costs and other elements of the plan or assistance that would be helpful to such Committees.

Report.

SOIL AND WATER RESOURCES CONSERVATION

SEC. 1252. (a) Subsection (d) of section 5 of the Soil and Water Resources Conservation Act of 1977 (16 U.S.C. 2004(b)) is amended to read as follows:

“(d) The Secretary shall conduct four comprehensive appraisals under this section, to be completed by December 31, 1979, December 31, 1986, December 31, 1995, and December 31, 2005, respectively. The Secretary may make such additional interim appraisals as the Secretary considers appropriate.”

16 USC 2005. (b) Subsection (b) of section 6 of such Act (16 U.S.C. 2205(b)) is amended to read as follows:

“(b) The initial program shall be completed not later than December 31, 1979, and program updates shall be completed by December 31, 1987, December 31, 1997, and December 31, 2007, respectively.”

(c) Section 7 of such Act (16 U.S.C. 2006) is amended by—

- (1) striking out subsection (a) and inserting in lieu thereof the following new subsection:

President of U.S. “(a)(1) At the time Congress convenes in 1980, 1987, 1996, and 2006, the President shall transmit to the Speaker of the House of Representatives and the President of the Senate the appraisal developed under section 5 and completed prior to the end of the previous year.

President of U.S. “(2) At the time Congress convenes in 1980, 1988, 1998, and 2008, the President shall transmit to the Speaker of the House of Representatives and the President of the Senate the initial program or updated program developed under section 6 and completed prior to

the end of the previous year, together with a detailed statement of policy regarding soil and water conservation activities of the United States Department of Agriculture.”;

(2) striking out subsection (b); and

(3) redesignating subsection (c) as subsection (b).

(d) Section 10 of such Act (16 U.S.C. 2009) is amended by striking out “1985” and inserting in lieu thereof “2008”.

DRY LAND FARMING

SEC. 1253. The first sentence of section 7(a) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g(a)) is amended by—

(1) striking out “and” at the end of clause (5); and

(2) inserting before the period the following:

“, and (7) the promotion of energy and water conservation through dry land farming”.

SOFTWOOD TIMBER

SEC. 1254. Section 608 of the Agricultural Programs Adjustment Act of 1984 (7 U.S.C. 1981 note) is amended to read as follows: 98 Stat. 140.

“SOFTWOOD TIMBER

“SEC. 608. (a)(1) Notwithstanding any other provision of law, the Secretary of Agriculture (hereinafter in this section referred to as the ‘Secretary’) may implement a program, pursuant to the recommendations contained in the study mandated by section 608 of the Agricultural Programs Adjustment Act of 1984 (7 U.S.C. 1421 note), under which a distressed loan (as determined by the Secretary) made or insured under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.), or a portion thereof, may be reamortized with the use of future revenue produced from the planting of softwood timber crops on marginal land (as determined by the Secretary) that—

“(A) was previously used to produce an agricultural commodity or as pasture; and

“(B) secures a loan made or insured under such Act.

“(2) Accrued interest on a loan reamortized under this section may be capitalized and interest charged on such interest.

“(3) All or a portion of the payments on such reamortized loan may be deferred until such softwood timber crop produces revenue or for a term of 45 years, whichever comes first.

“(4) Repayment of such reamortized loan shall be made not later than 50 years after the date of reamortization.

“(b) The interest rate on such reamortized loans shall be determined by the Secretary, but not in excess of the current average yield on outstanding marketable obligations of the United States with periods to maturity comparable to the average maturities of such loans, plus not to exceed 1 percent, as determined by the Secretary and adjusted to the nearest one-eighth of 1 percent.

“(c) To be eligible for such program—

“(1) the borrower of such reamortized loan must place not less than 50 acres of such land in softwood timber production;

“(2) such land (including timber) may not have any lien against such land other than a lien for—

Loans.

7 USC 1981 note.

Prohibition.

- 7 USC 1921 note. “(A) a loan made or insured under the Consolidated Farm and Rural Development Act to secure such reamortized loan; or
- “(B) a loan made under this section, at the time of reamortization or thereafter, that is subject to a lien on such land (including timber) in favor of the Secretary; and
- “(3) the total amount of loans secured by such land (including timber) may not exceed \$1,000 per acre.
- “(d)(1) To assist such borrowers to place such land in softwood timber production, the Secretary may make loans to such borrowers for such purpose in an aggregate amount not to exceed the actual cost of tree planting for land placed in the program.
- “(2) Any such loan shall be secured by the land (including timber) on which the trees are planted.
- “(3) Such loans shall be made on the same terms and conditions as are provided in this section for reamortized loans.
- “(e) The Secretary shall issue such rules as are necessary to carry out this section, including rules prescribing terms and conditions for—
- “(1) reamortizing and making loans under this section;
- “(2) entering into security instruments and agreements under this section; and
- “(3) management and harvesting practices of the timber crop.
- “(f) There are authorized to be appropriated such sums as are necessary to carry out this section.
- Prohibition. “(g) No more than 50,000 acres may be placed in such program.”.

AMENDMENT TO FARMLAND PROTECTION POLICY ACT

- Regulations. SEC. 1255. (a) Section 1546 of the Farmland Protection Policy Act (7 U.S.C. 4207) is amended by striking out “Within one year after the enactment of this subtitle,” and inserting in lieu thereof “On January 1, 1987, and at the beginning of each subsequent calendar year.”.
- (b) Section 1548 of such Act (7 U.S.C. 4209) is amended by striking out “any State, local unit of government, or” and inserting before the period “: *Provided*, That the Governor of an affected State where a State policy or program exists to protect farmland may bring an action in the Federal district court of the district where a Federal program is proposed to enforce the requirements of section 1541 of this subtitle and regulations issued pursuant thereto”.
- 7 USC 4202.

TITLE XIII—CREDIT

JOINT OPERATIONS

- SEC. 1301. (a) Sections 302 and 311(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922 and 1941(a), respectively) are each amended by—
- (1) striking out “and partnerships” each place it appears after “corporations” and inserting “, partnerships, and joint operations” in lieu thereof;
- (2) striking out “, and partnerships” each place it appears after “corporations” and inserting “, partnerships, and joint operations” in lieu thereof; and

(3) striking out “members, stockholders, or partners, as applicable,” each place it appears and inserting “individuals” in lieu thereof.

(b) Section 343 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991) is amended by—

- (1) striking out “and” before “(6)”; and
- (2) inserting before the period at the end thereof the following: “, and (7) the term ‘joint operation’ means a joint farming operation in which two or more farmers work together sharing equally or unequally land, labor, equipment, expenses, and income”.

ELIGIBILITY FOR REAL ESTATE AND OPERATING LOANS

SEC. 1302. (a) Section 302 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922) is amended by—

- (1) inserting “(a)” after the section designation; and
- (2) adding at the end thereof the following new subsection:

“(b) The Secretary may not restrict eligibility for loans made or insured under this subtitle for purposes set forth in section 303 solely to borrowers of loans that are outstanding on the date of enactment of the Food Security Act of 1985.”

Prohibition.
7 USC 1923.

(b) Section 311 of such Act (7 U.S.C. 1941) is amended by adding at the end thereof the following new subsection:

“(c) The Secretary may not restrict eligibility for loans made or insured under this subtitle for purposes set forth in section 312 solely to borrowers of loans that are outstanding on the date of enactment of the Food Security Act of 1985.”

Prohibition.
7 USC 1942.

FAMILY FARM RESTRICTION

SEC. 1303. Sections 302 and 311 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922 and 1941) are each amended by adding, at the end of the parenthetical provision in clause (3) of the second sentence, the following: “or, in the case of holders of the entire interest who are related by blood or marriage and all of whom are or will become farm operators, the ownership interest of each such holder separately constitutes not larger than a family farm, even if their interests collectively constitute larger than a family farm, as defined by the Secretary”.

WATER AND WASTE DISPOSAL FACILITIES

SEC. 1304. (a) Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by—

- (1) adding at the end of paragraph (2) the following:

“The Secretary shall fix the grant rate for each project in conformity with regulations issued by the Secretary that shall provide for a graduated scale of grant rates establishing higher rates for projects in communities that have lower community population and income levels.”; and

Regulations.

- (2) adding at the end thereof the following:

“(16)(A) The Secretary may make grants to private nonprofit organizations for the purpose of enabling them to provide to associations described in paragraph (1) of this subsection technical assistance and training to—

Grants.

“(i) identify, and evaluate alternative solutions to, problems relating to the obtaining, storage, treatment, purification, or

distribution of water or the collection, treatment, or disposal of waste in rural areas;

“(ii) prepare applications to receive financial assistance for any purpose specified in paragraph (2) of this subsection from any public or private source; and

“(iii) improve the operation and maintenance practices at any existing works for the storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas.

Grants. “(B) In selecting recipients of grants to be made under subparagraph (A), the Secretary shall give priority to private nonprofit organizations that have experience in providing the technical assistance and training described in subparagraph (A) to associations serving rural areas in which residents have low income and in which water supply systems or waste facilities are unhealthful.

Prohibition. Grants. “(C) Not less than 1 nor more than 2 per centum of any funds provided in Appropriations Acts to carry out paragraph (2) of this subsection for any fiscal year shall be reserved for grants under subparagraph (A) unless the applications, qualifying for grants, received by the Secretary from eligible nonprofit organizations for the fiscal year total less than 1 per centum of those funds.

“(17) In the case of water and waste disposal facility projects serving more than one separate rural community, the Secretary shall use the median population level and the community income level of all the separate communities to be served in applying the standards specified in paragraph (2) of this subsection and section 307(a)(3)(A).

Post, p. 1521.
Grants.

“(18) Grants under paragraph (2) of this subsection may be used to pay the local share requirements of another Federal grant-in-aid program to the extent permitted under the law providing for such grant-in-aid program.

Loans. “(19)(A) In the approval and administration of a loan made under paragraph (1) for a water or waste disposal facility, the Secretary shall consider fully any recommendation made by the loan applicant or borrower concerning the technical design and choice of materials to be used for such facility.

“(B) If the Secretary determines that a design or materials, other than those that were recommended, should be used in the water or waste disposal facility, the Secretary shall provide such applicant or borrower with a comprehensive justification for such determination.”

(b)(1) The Secretary of Agriculture shall—

Study.
Loans.
Grants.
Ante, p. 1519.

(A) conduct a study of the practicality and cost effectiveness of making loans and grants under section 306 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926) for the construction of water and waste disposal facilities in rural areas at individual locations, rather than central or community locations; and

(B) in such study consider the feasibility of small multiuser drinking water facilities, the costs involved in connecting rural residents into the community water systems, improvements to small community water systems, and alternative rural drinking water systems.

Report. (2) Not later than 120 days after the date of enactment of this Act, the Secretary shall submit a report on the results of the study required under paragraph (1) to the Committee on Agriculture of

the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

INTEREST RATES—WATER AND WASTE DISPOSAL FACILITY AND COMMUNITY FACILITY LOANS

SEC. 1304A. Section 307(a)(3)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)(A)) is amended by—

(1) striking out “where the median family income of the persons to be served by such facility is below the poverty line prescribed by the Office of Management and Budget, as adjusted under section 624 of the Economic Opportunity Act of 1964 (42 U.S.C. 2971d)” and inserting in lieu thereof “where the median household income of the persons to be served by such facility is below the higher of 80 per centum of the statewide nonmetropolitan median household income or the poverty line established by the Office of Management and Budget, as revised under section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))”; and

(2) inserting before the period at the end thereof the following: “; and not in excess of 7 per centum per annum on loans for such facilities that do not qualify for the 5 per centum per annum interest rate but are located in areas where the median household income of the persons to be served by the facility does not exceed 100 per centum of the statewide nonmetropolitan median household income”.

MINERAL RIGHTS AS COLLATERAL

SEC. 1305. Section 307 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927) is amended by adding at the end thereof the following:

“(d) With respect to a farm ownership loan made after the date of the enactment of this subsection, unless appraised values of the rights to oil, gas, or other minerals are specifically included as part of the appraised value of collateral securing the loan, the rights to oil, gas, or other minerals located under the property shall not be considered part of the collateral securing the loan. Nothing in this subsection shall prevent the inclusion of, as part of the collateral securing the loan, any payment or other compensation the borrower may receive for damages to the surface of the collateral real estate resulting from the exploration for or recovery of minerals.”.

Supra.

Loans.
Petroleum and
petroleum
products.

FARM RECORDKEEPING TRAINING FOR LIMITED RESOURCE BORROWERS

SEC. 1306. The first sentence of section 312(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1942(a)) is amended—

(1) by striking out “and” at the end of clause (10); and
(2) by inserting before the period at the end thereof the following new clause: “, and (12) training in maintaining records of farming and ranching operations for limited resource borrowers receiving loans under section 310D”.

Loans.

7 USC 1934.

NONSUPERVISED ACCOUNTS

SEC. 1307. Section 312 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1942) is amended by adding at the end the following:

Supra.

Loans.
Banks and
banking.

“(e) Notwithstanding any other provision of this title, the Secretary shall reserve not more than 10 percent of any loan made under this subtitle or \$5,000 of such loan, whichever is less, to be placed in a nonsupervised bank account which may be used at the discretion of the borrower for necessary family living needs or purposes not inconsistent with previously agreed upon farming or ranching plans. If the borrower exhausts this reserve, the Secretary may review and adjust the farm plan with the borrower and consider rescheduling the loan, extending additional credit, the use of income proceeds to pay necessary farm and home and other expenses, or additional available loan servicing.”

ELIGIBILITY FOR EMERGENCY LOANS

98 Stat. 138. SEC. 1308. (a) Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended by—

Corporations. (1) inserting after “United States” in clause (1) of the first sentence “and who are owner-operators (in the case of loans for a purpose under subtitle A) or operators (in the case of loans for a purpose under subtitle B) of not larger than family farms”;

(2) in clause (2) of the first sentence, striking out “farm cooperatives or private domestic corporations or partnerships in which a majority interest is held by members, stockholders, or partners who are citizens of the United States if the cooperative, corporation, or partnership is engaged primarily in farming, ranching, or aquaculture,” and inserting in lieu thereof the following: “farm cooperatives, private domestic corporations, partnerships, or joint operations (A) that are engaged primarily in farming, ranching, or aquaculture, and (B) in which a majority interest is held by individuals who are citizens of the United States and who are owner-operators (in the case of loans for a purpose under subtitle A) or operators (in the case of loans for a purpose under subtitle B) of not larger than family farms (or in the case of such cooperatives, corporations, partnerships, or joint operations in which a majority interest is held by individuals who are related by blood or marriage, as defined by the Secretary, such individuals must be either owners or operators of not larger than a family farm and at least one such individual must be an operator of not larger than a family farm),”; and

Corporations. (3) inserting after the first sentence the following: “In addition to the foregoing requirements of this subsection, in the case of farm cooperatives, private domestic corporations, partnerships, and joint operations, the family farm requirement of the preceding sentence shall apply as well to all farms in which the entity has an ownership and operator interest (in the case of loans for a purpose under subtitle A) or an operator interest (in the case of loans for a purpose under subtitle B).”

(b)(1) Subsection (b) of section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(b)) is amended to read as follows:

“(b) An applicant shall be ineligible for financial assistance under this subtitle for crop losses if crop insurance was available to the applicant for such crop losses under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).”

Prohibition.
7 USC 1961 note.

(2) The amendment made by paragraph (1) shall not apply to a person whose eligibility for an emergency loan is the result of

damage to an annual crop planted or harvested before the end of 1986.

(3) Section 324(b)(1) of such Act (7 U.S.C. 1964(b)(1)) is amended by striking out "but (A)" and all that follows through "Secretary" and inserting in lieu thereof "but not in excess of 8 percent per annum".

(c) Subsection (a) of section 324 of such Act (7 U.S.C. 1964(a)) is amended to read as follows:

"(a) No loan made or insured under this subtitle may exceed the amount of the actual loss caused by the disaster or \$500,000, whichever is less, for each disaster."

Prohibition.

(d) Section 330 of such Act (7 U.S.C. 1971) is repealed.

Repeal.

SETTLEMENT OF CLAIMS

SEC. 1309. Subsection (d) of the second paragraph of section 331 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(d)) is amended to read as follows:

"(d) compromise, adjust, reduce, or charge-off claims, and adjust, modify, subordinate, or release the terms of security instruments, leases, contracts, and agreements entered into or administered by the Farmers Home Administration under any of its programs, as circumstances may require, to carry out this title. The Secretary may release borrowers or others obligated on a debt incurred under this title from personal liability with or without payment of any consideration at the time of the compromise, adjustment, reduction, or charge-off of any claim, except that no compromise, adjustment, reduction, or charge-off of any claim may be made or carried out—

Securities.
Contracts.

"(1) on terms more favorable than those recommended by the appropriate county committee utilized pursuant to section 332; or

Post, p. 1524.

"(2) after the claim has been referred to the Attorney General, unless the Attorney General approves;"

OIL AND GAS ROYALTIES

SEC. 1310. (a) Subtitle D of the Consolidated Farm and Rural Development Act is amended by inserting after section 331B the following new section:

"SEC. 331C. (a) The Secretary shall permit a borrower of a loan made or insured under this title to make a prospective payment on such loan with proceeds from—

Loans.
7 USC 1981c.

"(1) the leasing of oil, gas, or other mineral rights to real property used to secure such loan; or

Real property.

"(2) the sale of oil, gas, or other minerals removed from real property used to secure such loan, if the value of the rights to such oil, gas, or other minerals has not been used to secure such loan.

"(b) Subsection (a) shall not apply to a borrower of a loan made or insured under this title with respect to which a liquidation or foreclosure proceeding is pending on the date of enactment of the Food Security Act of 1985."

Prohibition.
Loans.

(b) Section 204 of the Emergency Agricultural Credit Adjustment Act of 1978 (7 U.S.C. 1947 note) is amended by adding at the end thereof the following new subsection:

7 USC note prec
1961.

"(e)(1) The Secretary shall permit a borrower of a loan made or insured under this title to make a prospective payment on such loan with proceeds from—

Loans.

- Real property. “(A) the leasing of oil, gas, or other mineral rights to real property used to secure such loan; or
 “(B) the sale of oil, gas, or other minerals removed from real property used to secure such loan if the value of the rights to such oil, gas, or other minerals has not been used to secure such loan.
- Prohibition. “(2) Paragraph (1) shall not apply to a borrower of a loan made or insured under this title with respect to which a liquidation or foreclosure proceeding is pending on the date of enactment of the Food Security Act of 1985.”

COUNTY COMMITTEES

- Regulations. **SEC. 1311.** Section 332(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1982(a)) is amended to read as follows:
 “(a) In each county or area in which activities are carried out under this title, there shall be a county committee composed of three members. Two members shall be elected, from among their number, by farmers deriving the principal part of their income from farming who reside within the county or area, and one member, who shall reside within the county or area, shall be appointed by the Secretary for a term of three years. At the first election of county committee members under this subsection, one member shall be elected for a term of one year and one member shall be elected for a term of two years. Thereafter, elected members of the county committee shall be elected for a term of three years. The Secretary, in selecting the appointed member of the county committee, shall ensure that, to the greatest extent practicable, the committee is fairly representative of the farmers in the county or area. The Secretary may appoint an alternate for each member of the county committee. Appointed and alternate members of the county committee shall be removable by the Secretary for cause. The Secretary shall issue such regulations as are necessary relating to the election and appointment of members and alternate members of the county committees.”.

PROMPT APPROVAL OF LOANS AND LOAN GUARANTEES

- SEC. 1312.** (a) Subtitle D of the Consolidated Farm and Rural Development Act is amended by inserting after section 333 (7 U.S.C. 1983) the following new section:
 “**SEC. 333A.** (a)(1) The Secretary shall approve or disapprove an application for a loan or loan guarantee made under this title, and notify the applicant of such action, not later than 60 days after the Secretary has received a complete application for such loan or loan guarantee.
 “(2) If an application for a loan or loan guarantee under this title is incomplete, the Secretary shall inform the applicant of the reasons such application is incomplete not later than 20 days after the Secretary has received such application.
 “(3) If an application for a loan or loan guarantee under this title is disapproved by the Secretary, the Secretary shall state the reasons for the disapproval in the notice required under paragraph (1).
 “(b)(1) Except as provided in paragraph (2), if an application for an insured loan under this title is approved by the Secretary, the Secretary shall provide the loan proceeds to the applicant not later
- 7 USC 1983a.

than 15 days (or such longer period as the applicant may approve) after the application for the loan is approved by the Secretary.

“(2) If the Secretary is unable to provide the loan proceeds to the applicant within such 15-day period because sufficient funds are not available to the Secretary for such purpose, the Secretary shall provide the loan proceeds to the applicant as soon as practicable (but in no event later than 15 days unless the applicant agrees to a longer period) after sufficient funds for such purpose become available to the Secretary.

“(c) In an application for a loan or loan guarantee under this title is disapproved by the Secretary, but such action is subsequently reversed or revised as the result of an appeal within the Department of Agriculture or to the courts of the United States and the application is returned to the Secretary for further consideration, the Secretary shall act on the application and provide the applicant with notice of the action within 15 days after return of the application to the Secretary.

“(d) In carrying out the approved lender program established by exhibit A to subpart B of part 1980 of title 7, Code of Federal Regulations, the Secretary shall ensure that each request of a lending institution for designation as an approved lender under such program is reviewed, and a decision made on the application, not later than 15 days after the Secretary has received a complete application for such designation.

“(e)(1) As soon as practicable after the date of enactment of the Food Security Act of 1985, the Secretary shall take such steps as are necessary to make personnel, including the payment of overtime for such personnel, and other resources of the Department of Agriculture available to the Farmers Home Administration as are sufficient to enable the Farmers Home Administration to expeditiously process loan applications that are submitted by farmers and ranchers.

“(2) In carrying out paragraph (1), the Secretary may use any authority of law provided to the Secretary, including—

“(A) the Agricultural Credit Insurance Fund established under section 309; and

“(B) the employment procedures used in connection with the emergency loan program established under subtitle C.”

(b) The amendment made by subsection (a) shall be effective with respect to applications for loans or loan guarantees under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) received by the Secretary of Agriculture after the date of enactment of this Act.

7 USC 1929.

Effective date.
7 USC 1983a
note.

APPEALS

SEC. 1313. (a) Subtitle D of the Consolidated Farm and Rural Development Act is amended by inserting after section 333A (as added by section 1312) the following new section:

“SEC. 333B. (a) The Secretary shall provide an applicant for or borrower of a loan, or an applicant for or recipient of a loan guarantee, under this title who has been directly and adversely affected by a decision of the Secretary made under this title (hereafter in this section referred to as the ‘appellant’) with written notice of the decision, an opportunity for an informal meeting, and an opportunity for a hearing with respect to such decision, in accordance with regulations issued by the Secretary consistent with this section.

Ante, p. 1524.
Loans.
Regulations.
7 USC 1983b.

“(b)(1) Not later than 10 days after such adverse decision, the Secretary shall provide the appellant with written notice of the decision, an opportunity for an informal meeting, an opportunity for a hearing, and the procedure to appeal such decision (including any deadlines for filing appeals).

“(2) Upon the request of the appellant and in order to provide an opportunity to resolve differences and minimize formal appeals, the Secretary shall hold an informal meeting with the appellant prior to the initiation of any formal appeal of the decision of the Secretary.

“(c)(1) An appellant shall have the right to have—

“(A) access to the personal file of the appellant maintained by the Secretary, including a reasonable opportunity to inspect and reproduce the file at an office of the Farmers Home Administration located in the area of the appellant; and

“(B) representation by an attorney or nonattorney during the inspection and reproduction of files under subparagraph (A) and at any informal meeting or hearing.

“(2) The Secretary may charge an appellant for any reasonable costs incurred in reproducing files under paragraph (1)(A).”

Study.
Loans.

(b)(1) The Secretary of Agriculture shall conduct a study of the administrative appeals procedure used in the farm loan programs of the Farmers Home Administration.

(2) In conducting such study, the Secretary shall examine—

(A) the number and type of appeals initiated by loan applicants and borrowers;

(B) the extent to which initial administrative actions are reversed on appeal;

(C) the reasons that administrative actions are reversed, modified, or sustained on appeal;

(D) the number and disposition of appeals in which the loan applicant or borrower is represented by legal counsel;

(E) the quantity of time required to complete action on appeals and the reasons for delays;

(F) the feasibility of the use of administrative law judges in the appeals process; and

(G) the desirability of electing members of county committees established under section 332 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1982).

Ante, p. 1524.
Report.

(c) Not later than September 1, 1986, the Secretary shall submit a report describing the results of the study required under this section to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

DISPOSITION AND LEASING OF FARMLAND

SEC. 1314. (a) Section 335 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985) is amended by—

(1) striking out “Real” in subsection (b) and inserting in lieu thereof “Except as provided in subsection (e), real”;

(2) in subsection (c)—

(A) striking out “The” in the first sentence and inserting in lieu thereof “Except as provided in subsection (e), the”;

and

(B) adding at the end thereof the following new sentence: “Notwithstanding the preceding sentence, the Secretary may for conservation purposes grant or sell an easement, restriction, development rights, or the equivalent thereof,

Conservation.
State and local
governments.

to a unit of local or State government or a private nonprofit organization separately from the underlying fee or sum of all other rights possessed by the United States.”; and

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

“(e)(1) The Secretary shall to the extent practicable sell or lease farmland administered under this title in the following order of priority:

 “(A) Sale of such farmland to operators (as of the time immediately before such sale) of not larger than family-size farms.

 “(B) Lease of such farmland to operators (as of the time immediately before such lease is entered into) of not larger than family-size farms.

“(2) The Secretary shall not offer for sale or sell any such farmland if the placing of such farmland on the market will have a detrimental effect on the value of farmland in the area.

“(3)(A) The Secretary shall consider granting, and may grant, to an operator of not larger than a family-size farm, in conjunction with paragraph (3), a lease with an option to purchase farmland administered under this title.

 “(B) The Secretary shall issue regulations providing for leasing such land, or leasing such land with an option to purchase, on a fair and equitable basis.

 “(C) In leasing such land, the Secretary shall give special consideration to a previous owner or operator of such land if such owner or operator has financial resources, and farm management skills and experience, that the Secretary determines are sufficient to assure a reasonable prospect of success in the proposed farming operation.

 “(D) To the extent the Secretary may lease or operate real property under this subsection, the Secretary shall, if the Secretary determines to administer such property through management contracts, offer the contracts on a competitive bid basis, giving preference to persons who will live in, and own and operate qualified small businesses in, the area where the property is located.

“(4)(A)(i) The Secretary may sell farmland administered under this title through an installment sale or similar device that contains such terms as the Secretary considers necessary to protect the investment of the Federal Government in such land.

 “(ii) The Secretary may subsequently sell any contract entered into to carry out clause (i).

 “(B) The Secretary shall offer such land for sale to operators of not larger than family-size farms at a price that reflects the average annual income that may be reasonably anticipated to be generated from farming such land.

 “(C) If two or more qualified operators of not larger than family-size farms desire to purchase, or lease with an option to purchase, such land, the appropriate county committee shall, by majority vote, select the operator who may purchase such land, on such basis as the Secretary may prescribe by regulation.

“(5)(A) If the Secretary determines that farmland administered under this title is not suitable for sale or lease to an operator of not larger than a family-size farm because such farmland is in a tract or tracts that the Secretary determines to be larger than that necessary for family-size farms, the Secretary shall subdivide such land into tracts suitable for such operator.

 “(B) The Secretary shall dispose of such subdivided farmland in accordance with this subsection.

Prohibition.

Regulations.

Real property.
Contracts.
Small business.

Contracts.

Regulations.

“(6) If suitable farmland is available for disposition under this subsection, the Secretary shall—

“(A) publish an announcement of the availability of such farmland in at least one newspaper that is widely circulated in the county in which the farmland is located; and

“(B) post an announcement of the availability of such farmland in a prominent place in the local office of the Farmers Home Administration that serves the county in which the farmland is located.

Conservation. “(7) In the case of farmland administered under this title that is highly erodible land (as defined in section 1201 of the Food Security Act of 1985), the Secretary may require the use of specified conservation practices on such land as a condition of the sale or lease of such land.

Ante, p. 1504.

“(8) Notwithstanding any other provisions of law, compliance by the Secretary with this subsection shall not cause any acreage allotment, marketing quota, or acreage base assigned to such property to lapse, terminate, be reduced, or otherwise be adversely affected.”

7 USC 1985 note.

(b) The Secretary of Agriculture shall implement the amendments made by this section not later than 90 days after the date of enactment of this Act.

RELEASE OF NORMAL INCOME SECURITY

Ante, p. 1526.

SEC. 1315. Section 335 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985) (as amended by section 1314(3)) is further amended by adding at the end thereof the following new subsection:

“(f)(1) As used in this subsection, the term ‘normal income security’ has the same meaning given such term in section 1962.17(b) of title 7, Code of Federal Regulations (as of January 1, 1985).

Loans.

“(2) Until such time as the Secretary accelerates a loan made or insured under this title, the Secretary shall release from the normal income security provided for such loan an amount sufficient to pay the essential household and farm operating expenses of the borrower, as determined by the Secretary.”

LOAN SUMMARY STATEMENTS

SEC. 1316. Section 337 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1987) is amended by—

(1) inserting “(a)” after the section designation; and

(2) adding at the end thereof the following new subsection:

“(b)(1) As used in this subsection, the term ‘summary period’ means—

“(A) the period beginning on the date of enactment of the Food Security Act of 1985 and ending on the date on which the first loan summary statement is issued after such date of enactment; or

“(B) the period beginning on the date of issuance of the preceding loan summary statement and ending on the date of issuance of the current loan summary statement.

“(2) On the request of a borrower of a loan made or insured (but not guaranteed) under this title, the Secretary shall issue to such borrower a loan summary statement that reflects the account activity during the summary period for each loan made or insured under this title to such borrower, including—

- “(A) the outstanding amount of principal due on each such loan at the beginning of the summary period;
- “(B) the interest rate charged on each such loan;
- “(C) the amount of payments made on and their application to each such loan during the summary period and an explanation of the basis for the application of such payments;
- “(D) the amount of principal and interest due on each such loan at the end of the summary period;
- “(E) the total amount of unpaid principal and interest on all such loans at the end of the summary period;
- “(F) any delinquency in the repayment of any such loan;
- “(G) a schedule of the amount and date of payments due on each such loan; and
- “(H) the procedure the borrower may use to obtain more information concerning the status of such loans.”.

AUTHORIZATION OF LOAN AMOUNTS

SEC. 1317. (a) Subsection (b) of section 346 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)) is amended to read as follows:

“(b)(1)(A) For each of the fiscal years ending September 30, 1986, through September 30, 1988, real estate and operating loans may be insured, made to be sold and insured, or guaranteed in accordance with subtitles A and B, respectively, from the Agricultural Credit Insurance Fund established under section 309 in an amount equal to \$4,000,000,000, of which not less than \$520,000,000 shall be for farm ownership loans under subtitle A.

7 USC 1929.

“(B) Subject to subparagraph (C), such amount shall be apportioned as follows:

“(i) For the fiscal year ending September 30, 1986—

“(I) \$2,000,000,000 for insured loans, of which not less than \$260,000,000 shall be for farm ownership loans; and

“(II) \$2,000,000,000 for guaranteed loans, of which not less than \$260,000,000 shall be for guarantees of farm ownership loans.

“(ii) For the fiscal year ending September 30, 1987—

“(I) \$1,500,000,000 for insured loans, of which not less than \$195,000,000 shall be for farm ownership loans; and

“(II) \$2,500,000,000 for guaranteed loans, of which not less than \$325,000,000 shall be for guarantees of farm ownership loans.

“(iii) For the fiscal year ending September 30, 1988—

“(I) \$1,000,000,000 for insured loans, of which not less than \$130,000,000 shall be for farm ownership loans; and

“(II) \$3,000,000,000 for guaranteed loans, of which not less than \$390,000,000 shall be for guarantees of farm ownership loans.

“(C) For each of the fiscal years referred to in subparagraph (A), the Secretary may transfer not more than 25 percent of the amounts authorized for guaranteed loans to amounts authorized for insured loans.

“(D)(i) For each of the fiscal years 1986, 1987, and 1988, emergency loans may be made or insured or guaranteed in accordance with subtitle C from the Agricultural Credit Insurance Fund as follows: \$1,300,000,000 for fiscal year 1986, \$700,000,000 for fiscal year 1987, and \$600,000,000 for fiscal year 1988.

“(E) Loans for each of the fiscal years 1986, 1987, and 1988 are authorized to be insured, or made to be sold and insured, or guaranteed under the Rural Development Insurance Fund as follows:

“(i) Insured water and waste disposal facility loans, \$340,000,000.

“(ii) Industrial development loans, \$250,000,000.

“(iii) Insured community facility loans, \$115,000,000.”.

7 USC 1994.

(b) Section 346(e)(1) of such Act is amended by—

(1) striking out “20” each place it appears and inserting in lieu thereof “25”; and

(2) striking out “fiscal year 1984” and inserting in lieu thereof “each fiscal year”.

(c) Section 346 of such Act (as amended by subsection (b)) is amended—

(1) striking out subsection (d); and

(2) redesignating subsection (e) as subsection (d).

FARM DEBT RESTRUCTURE AND CONSERVATION SET-ASIDE

CONSERVATION EASEMENTS

SEC. 1318. (a) The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding at the end thereof the following new section:

7 USC 1997.

“SEC. 349. (a) For purposes of this section:

“(1) The term ‘governmental entity’ means any agency of the United States, a State, or a unit of local government of a State.

“(2) The terms ‘highly erodible land’ and ‘wetland’ have the meanings, respectively, that such terms are given in section 1201 of the Food Security Act of 1985.

Ante, p. 1504.

“(3) The term ‘wildlife’ means fish or wildlife as defined in section 2(a) of the Lacey Act Amendments of 1981 (16 U.S.C. 3371(a)).

“(5) The term ‘recreational purposes’ includes hunting.

Real property.

“(b) Subject to subsection (c), the Secretary may acquire and retain an easement in real property, for a term of not less than 50 years, for conservation, recreational, and wildlife purposes.

Real property.

“(c) Such easement may be acquired or retained for real property if such property—

“(1) is wetland, upland, or highly erodible land;

“(2) is determined by the Secretary to be suitable for the purposes involved;

Loans.

“(3)(A)(i) secures any loan made under any law administered by the Farmers Home Administration and held by the Secretary; and

“(ii) the borrower of such loan is unable, as determined by the Secretary, to repay such loan in a timely manner; or

“(B) is administered under this title by the Secretary; and

“(4) was (except in the case of wetland) row cropped each year of the 3-year period ending on the date of the enactment of the Food Security Act of 1985.

“(d) The terms and conditions specified in each such easement shall—

Real property.

“(1) specify the purposes for which such real property may be used;

“(2) identify the conservation measures to be taken, and the recreational and wildlife uses to be allowed, with respect to such real property; and

“(3) require such owner to permit the Secretary, and any person or governmental entity designated by the Secretary, to have access to such real property for the purpose of monitoring compliance with such easement.

“(e) Any such easement acquired by the Secretary shall be purchased from the borrower involved by canceling that part of the aggregate amount of such outstanding loans of the borrower held by the Secretary under laws administered by the Farmers Home Administration that bears the same ratio to the aggregate amount of the outstanding loans of such borrower held by the Secretary under all such laws as the number of acres of the real property of such borrower that are subject to such easement bears to the aggregate number of acres securing such loans. In no case shall the amount so cancelled exceed the value of the land on which the easement is acquired.

Loans.
Real property.
Prohibition.

“(f) If the Secretary elects to use the authority provided by this section, the Secretary shall consult with the Director of the Fish and Wildlife Service for purposes of—

“(1) selecting real property in which the Secretary may acquire easements under this section;

Real property.

“(2) formulating the terms and conditions of such easements; and

“(3) enforcing such easements.

“(g) The Secretary, and any person or governmental entity designated by the Secretary, may enforce an easement acquired by the Secretary under this section.

“(h) This section shall not apply with respect to the cancellation of any part of any loan that was made after the date of enactment of the Food Security Act of 1985.”

Prohibition.

(b)(1) The last sentence of section 335(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985(c)) is amended by inserting “, other than easements acquired under section 349” before the period at the end thereof.

Ante, pp. 1526,
1528.
Ante, p. 1530.

(2) The second sentence of section 1001 of the Agricultural Act of 1970 (16 U.S.C. 1501) is amended—

(1) by striking out “perpetual”; and

(2) by inserting “for a term of not less than 50 years” after “easements”.

ADMINISTRATION OF GUARANTEED FARM LOAN PROGRAMS

SEC. 1319. The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding after the section added by section 1318 the following:

Ante, p. 1530.
7 USC 1998.

“SEC. 350. Notwithstanding any other provision of this title, the Secretary shall ensure that farm loan guarantee programs carried out under this title are designed so as to be responsive to borrower and lender needs and to include provisions under reasonable terms and conditions for advances, before completion of the liquidation process, of guarantee proceeds on loans in default.”

INTEREST RATE REDUCTION PROGRAM

SEC. 1320. Effective only for the period beginning on the date of enactment of this Act and ending September 30, 1988, the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding after the section added by section 1319 the following:

Ante, p. 1531.

Loans.
7 USC 1999.

“SEC. 351. (a) The Secretary shall establish and carry out in accordance with this section an interest rate reduction program for loans guaranteed under this title.

Contracts.
Loans.

“(b) Under such program, the Secretary shall enter into a contract with, and make payments to, a legally organized institution to reduce during the term of such contract the interest rate paid by a borrower on a guaranteed loan made by such institution if—

“(1) the borrower—

“(A) is unable to obtain sufficient credit elsewhere to finance the actual needs of the borrower at reasonable rates and terms, taking into consideration private and cooperative rates and terms for a loan for a similar purpose and period of time in the community in or near which the borrower resides;

“(B) is otherwise unable to make payments on such loan in a timely manner; and

“(C) has a total estimated cash income during the 12-month period beginning on the date such contract is entered into (including all farm and nonfarm income) that will equal or exceed the total estimated cash expenses to be incurred by the borrower during such period (including all farm and nonfarm expenses); and

“(2) the lender reduces during the term of such contract the annual rate of interest payable on such loan by a minimum percentage specified in such contract.

Contracts.
Loans.

“(c) In return for a contract entered into by a lender under subsection (b) for the reduction of the interest rate paid on a loan, the Secretary shall make payments to the lender in an amount equal to not more than 50 percent of the cost of reducing the annual rate of interest payable on such loan, except that such payments may not exceed the cost of reducing such rate by more than 2 percent.

Contracts.
Prohibition.
Loans.

“(d) The term of a contract entered into under this section to reduce the interest rate on a guaranteed loan may not exceed the outstanding term of such loan, or 3 years, whichever is less.

7 USC 1929.

“(e)(1) Notwithstanding any other provision of this title, the Agricultural Credit Insurance Fund established under section 309 may be used by the Secretary to carry out this section.

Prohibition.

“(2) The total amount of funds used by the Secretary to carry out this section may not exceed \$490,000,000.”.

HOMESTEAD PROTECTION

SEC. 1321. The Consolidated Farm and Rural Development Act is amended by adding after the section added by section 1320 the following:

Supra.

7 USC 2000.

“SEC. 352. (a) As used in this section:

“(1) The term ‘Administrator’ means the Administrator of the Small Business Administration.

“(2) The term ‘farm program loan’ means any loan made by the Administrator under the Small Business Act (15 U.S.C. 631 et seq.) for any of the purposes authorized for loans under subtitles A or B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.).” Loans.

“(3) The term ‘homestead property’ means the principal residence and adjoining property possessed and occupied by a borrower specified in paragraph (2) of this subsection.

“(4) The term ‘Secretary’ means the Secretary of Agriculture.

“(b)(1) If the Secretary forecloses a loan made or insured under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.), the Administrator forecloses a farm program loan made under the Small Business Act (15 U.S.C. 631 et seq.), or a borrower of a loan made or insured by either agency declares bankruptcy or goes into voluntary liquidation to avoid foreclosure or bankruptcy, the Secretary or Administrator may upon application by the borrower, permit the borrower to retain possession and occupancy of any principal residence of the borrower, and a reasonable amount of adjoining land for the purpose of family maintenance.” Loans.

“(2) The value of the homestead property shall be determined insofar as possible by an independent appraisal made within six months from the date of the borrower’s application to retain possession and occupancy of the homestead property.

“(3) The period of occupancy of homestead property under this subsection may not exceed five years, but in no case shall be the Secretary or the Administrator grant a period of occupancy less than three years, subject to compliance with the requirements of subsection (c).” Prohibition.

“(c) To be eligible to occupy homestead property, a borrower of a loan made or insured by the Secretary or the Administrator must—” Loans.

“(1) apply for such occupancy during the three-year period beginning on the date of the enactment of this Act;

“(2) have exhausted all other remedies for the extension or restructuring of such loan, including all remedies afforded under section 331(d);

“(3) have made gross annual farm sales of at least \$40,000 in at least two calendar years during the five-year period beginning on January 1, 1981, and ending on December 31, 1985 (or the equivalent crop or fiscal years);

“(4) have received from farming operations at least 60 per centum of the gross annual income of the borrower and any spouse of the borrower during at least two years of such five-year period;

“(5) have occupied the homestead property, and engaged in farming or ranching operations on adjoining land, or other land controlled by said borrower, during such five-year period;

“(6) during the period of occupancy of the homestead property, pay a reasonable sum as rent for such property to the Secretary or the Administrator in an amount substantially equivalent to rents charged for similar residential properties in the area in which the homestead property is located, and failure to make rental payments in a timely fashion shall constitute cause for the termination of all rights of a borrower to possession and occupancy of the homestead property under this subsection;

“(7) during the period of occupancy of homestead property, maintain such property in good condition; and

Ante, p. 1523.

“(8) agree to such other terms and conditions as are prescribed by the Secretary or the Administrator in order to facilitate the administration of this subsection.

“(d) At the end of the period of occupancy described in subsection (c), the Secretary or the Administrator shall grant to the borrower a first right of refusal to reacquire the homestead property on such terms and conditions (which may include payment of principal in installments) as the Secretary or the Administrator shall determine.

“(e) At the time any reacquisition agreement is entered into, the Secretary or the Administrator may not demand a total payment of principal that is in excess of the value of the homestead property as established under subsection (b)(2).”.

EXTENSION OF CREDIT TO ALL RURAL UTILITIES THAT PARTICIPATE IN THE PROGRAM ADMINISTERED BY THE RURAL ELECTRIFICATION ADMINISTRATION

Loans.
Banks and
banking.

SEC. 1322. Section 3.8 of the Farm Credit Act of 1971 (12 U.S.C. 2129) is amended by—

- (1) inserting “(1)” immediately before “Any association”; and
- (2) adding at the end thereof a new subsection (2) as follows:

“(2) Notwithstanding any other provision of this title, cooperatives and other entities that have received a loan, loan commitment, or loan guarantee from the Rural Electrification Administration, or a loan or loan commitment from the Rural Telephone Bank, or that have been certified by the Administrator of the Rural Electrification Administration to be eligible for such a loan, loan commitment, or loan guarantee, and subsidiaries of such cooperatives or other entities, shall also be eligible to borrow from a bank for cooperatives.”.

NONPROFIT NATIONAL RURAL DEVELOPMENT AND FINANCE CORPORATIONS

Loans.
7 USC 1932 note.

SEC. 1323. (a)(1) For the fiscal year ending September 30, 1986, the Secretary of Agriculture (hereafter in this section referred to as the “Secretary”) shall guarantee loans made by public agencies or private organizations (including loans made by financial institutions such as insurance companies) to nonprofit national rural development and finance corporations that establish similar and affiliated statewide rural development and finance programs for the purpose of providing loans, guarantees, and other financial assistance to profit or nonprofit local businesses to improve business, industry, and employment opportunities in a rural area (as determined by the Secretary).

(2) To be eligible to obtain a loan guarantee under this subsection, a corporation must—

(A) demonstrate to the Secretary the ability of the corporation to administer a national revolving rural development loan program;

(B) be prepared to commit financial resources under the control of the corporation to the establishment of affiliated statewide rural development and finance programs; and

(C) have secured commitments of significant financial support from public agencies and private organizations for such affiliated statewide programs.

(3) A national rural development and finance corporation receiving a loan guarantee under this subsection shall base a determina-

tion to establish an affiliated statewide program in large part on the willingness of States and private organizations to sponsor and make funds available to such program.

(4) Notwithstanding any other provision of law, for the fiscal year ending September 30, 1986, of the amounts available to guarantee loans in accordance with section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) from the Rural Development Insurance Fund, \$20,000,000 shall be used by the Secretary to guarantee loans under the national rural development and finance program established under this subsection, to remain available until expended.

(b)(1) For the fiscal year ending September 30, 1986, the Secretary shall make grants, from funds transferred under paragraph (2), to national rural development and finance corporations for the purpose of establishing a rural development program to provide financial and technical assistance to compliment the loan guarantees made to such corporations under subsection (a).

Grants.

(2) All funds authorized under the Rural Development Loan Fund, including those on deposit and available upon date of enactment, under sections 623 and 633 of the Community Economic Development Act of 1981 (42 U.S.C. 9801 et seq.) shall be transferred to the Secretary provided that—

42 USC 9812,
9822.

(A) all funds on deposit and available on date of enactment shall be used for the purpose of making grants under paragraph (1) and shall remain available until expended; and

Grants.

(B) notwithstanding any other provision of law, all loans to intermediary borrowers made prior to date of enactment, shall upon date of enactment, for the life of such loan, bear a rate of interest not to exceed that in effect upon the date of issuance of such loans.

PROTECTION FOR PURCHASERS OF FARM PRODUCTS

SEC. 1324. (a) Congress finds that—

7 USC 1631.

(1) certain State laws permit a secured lender to enforce liens against a purchaser of farm products even if the purchaser does not know that the sale of the products violates the lender's security interest in the products, lacks any practical method for discovering the existence of the security interest, and has no reasonable means to ensure that the seller uses the sales proceeds to repay the lender;

(2) these laws subject the purchaser of farm products to double payment for the products, once at the time of purchase, and again when the seller fails to repay the lender;

(3) the exposure of purchasers of farm products to double payment inhibits free competition in the market for farm products; and

(4) this exposure constitutes a burden on and an obstruction to interstate commerce in farm products.

Commerce and
trade.

(b) The purpose of this section is to remove such burden on and obstruction to interstate commerce in farm products.

(c) For the purposes of this section—

(1) The term "buyer in the ordinary course of business" means a person who, in the ordinary course of business, buys farm products from a person engaged in farming operations who is in the business of selling farm products.

(2) The term "central filing system" means a system for filing effective financing statements or notice of such financing statements on a statewide basis and which has been certified by the Secretary of the United States Department of Agriculture; the Secretary shall certify such system if the system complies with the requirements of this section; specifically under such system—

(A) effective financing statements or notice of such financing statements are filed with the office of the Secretary of State of a State;

(B) the Secretary of State records the date and hour of the filing of such statements;

(C) the Secretary of State compiles all such statements into a master list—

(i) organized according to farm products;

(ii) arranged within each such product—

(I) in alphabetical order according to the last name of the individual debtors, or, in the case of debtors doing business other than as individuals, the first word in the name of such debtors; and

(II) in numerical order according to the social security number of the individual debtors or, in the case of debtors doing business other than as individuals, the Internal Revenue Service taxpayer identification number of such debtors; and

(III) geographically by county or parish; and

(IV) by crop year;

(iii) containing the information referred to in paragraph (4)(D);

(D) the Secretary of State maintains a list of all buyers of farm products, commission merchants, and selling agents who register with the Secretary of State, on a form indicating—

(i) the name and address of each buyer, commission merchant and selling agent;

(ii) the interest of each buyer, commission merchant, and selling agent in receiving the lists described in subparagraph (E); and

(iii) the farm products in which each buyer, commission merchant, and selling agent has an interest;

(E) the Secretary of State distributes regularly as prescribed by the State to each buyer, commission merchant, and selling agent on the list described in subparagraph (D) a copy in written or printed form of those portions of the master list described in paragraph (C) that cover the farm products in which such buyer, commission merchant, or selling agent has registered an interest;

(F) the Secretary of State furnishes to those who are not registered pursuant to (2)(D) of this section oral confirmation within 24 hours of any effective financing statement on request followed by written confirmation to any buyer of farm products buying from a debtor, or commission merchant or selling agent selling for a seller covered by such statement.

(3) The term "commission merchant" means any person engaged in the business of receiving any farm product for sale, on commission, or for or on behalf of another person.

- (4) The term "effective financing statement" means a statement that—
- (A) is an original or reproduced copy thereof;
 - (B) is signed and filed with the Secretary of State of a State by the secured party;
 - (C) is signed by the debtor;
 - (D) contains,
 - (i) the name and address of the secured party;
 - (ii) the name and address of the person indebted to the secured party;
 - (iii) the social security number of the debtor or, in the case of a debtor doing business other than as an individual, the Internal Revenue Service taxpayer identification number of such debtor;
 - (iv) a description of the farm products subject to the security interest created by the debtor, including the amount of such products where applicable; and a reasonable description of the property, including county or parish in which the property is located;
 - (E) must be amended in writing, within 3 months, similarly signed and filed, to reflect material changes;
 - (F) remains effective for a period of 5 years from the date of filing, subject to extensions for additional periods of 5 years each by refiling or filing a continuation statement within 6 months before the expiration of the initial 5 year period;
 - (G) lapses on either the expiration of the effective period of the statement or the filing of a notice signed by the secured party that the statement has lapsed, whichever occurs first;
 - (H) is accompanied by the requisite filing fee set by the Secretary of State; and
 - (I) substantially complies with the requirements of this subparagraph even though it contains minor errors that are not seriously misleading.
- (5) The term "farm product" means an agricultural commodity such as wheat, corn, soybeans, or a species of livestock such as cattle, hogs, sheep, horses, or poultry used or produced in farming operations, or a product of such crop or livestock in its unmanufactured state (such as ginned cotton, wool-clip, maple syrup, milk, and eggs), that is in the possession of a person engaged in farming operations.
- (6) The term "knows" or "knowledge" means actual knowledge.
- (7) The term "security interest" means an interest in farm products that secures payment or performance of an obligation.
- (8) The term "selling agent" means any person, other than a commission merchant, who is engaged in the business of negotiating the sale and purchase of any farm product on behalf of a person engaged in farming operations.
- (9) The term "State" means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.
- (10) The term "person" means any individual, partnership, corporation, trust, or any other business entity.

(11) The term "Secretary of State" means the Secretary of State or the designee of the State.

(d) Except as provided in subsection (e) and notwithstanding any other provision of Federal, State, or local law, a buyer who in the ordinary course of business buys a farm product from a seller engaged in farming operations shall take free of a security interest created by the seller, even though the security interest is perfected; and the buyer knows of the existence of such interest.

(e) A buyer of farm products takes subject to a security interest created by the seller if—

(1)(A) within 1 year before the sale of the farm products, the buyer has received from the secured party or the seller written notice of the security interest organized according to farm products that—

(i) is an original or reproduced copy thereof;

(ii) contains,

(I) the name and address of the secured party;

(II) the name and address of the person indebted to the secured party;

(III) the social security number of the debtor or, in the case of a debtor doing business other than as an individual, the Internal Revenue Service taxpayer identification number of such debtor;

(IV) a description of the farm products subject to the security interest created by the debtor, including the amount of such products where applicable, crop year, county or parish, and a reasonable description of the property; and

(iii) must be amended in writing, within 3 months, similarly signed and transmitted, to reflect material changes;

(iv) will lapse on either the expiration period of the statement or the transmission of a notice signed by the secured party that the statement has lapsed, whichever occurs first; and

(v) any payment obligations imposed on the buyer by the secured party as conditions for waiver or release of the security interest; and

(B) the buyer has failed to perform the payment obligations,

or

(2) in the case of a farm product produced in a State that has established a central filing system—

(A) the buyer has failed to register with the Secretary of State of such State prior to the purchase of farm products; and

(B) the secured party has filed an effective financing statement or notice that covers the farm products being sold; or

(3) in the case of a farm product produced in a State that has established a central filing system, the buyer—

(A) receives from the Secretary of State of such State written notice as provided in subparagraph (c)(2)(E) or (c)(2)(F) that specifies both the seller and the farm product being sold by such seller as being subject to an effective financing statement or notice; and

(B) does not secure a waiver or release of the security interest specified in such effective financing statement or

notice from the secured party by performing any payment obligation or otherwise; and

(f) What constitutes receipt, as used in this section, shall be determined by the law of the State in which the buyer resides.

(g)(1) Except as provided in paragraph (2) and notwithstanding any other provision of Federal, State, or local law, a commission merchant or selling agent who sells, in the ordinary course of business, a farm product for others, shall not be subject to a security interest created by the seller in such farm product even though the security interest is perfected and even though the commission merchant or selling agent knows of the existence of such interest.

Prohibition.

(2) A commission merchant or selling agent who sells a farm product for others shall be subject to a security interest created by the seller in such farm product if—

(A) within 1 year before the sale of such farm product the commission merchant or selling agent has received from the secured party or the seller written notice of the security interest; organized according to farm products, that—

(i) is an original or reproduced copy thereof;

(ii) contains,

(I) the name and address of the secured party;

(II) the name and address of the person indebted to the secured party;

(III) the social security number of the debtor or, in the case of a debtor doing business other than as an individual, the Internal Revenue Service taxpayer identification number of such debtor;

(IV) a description of the farm products subject to the security interest created by the debtor, including the amount of such products, where applicable, crop year, county or parish, and a reasonable description of the property, etc.; and

(iii) must be amended in writing, within 3 months, similarly signed and transmitted, to reflect material changes;

(iv) will lapse on either the expiration period of the statement or the transmission of a notice signed by the secured party that the statement has lapsed, whichever occurs first; and

(v) any payment obligations imposed on the commission merchant or selling agent by the secured party as conditions for waiver or release of the security interest; and

(B) the commission merchant or selling agent has failed to perform the payment obligations;

(C) in the case of a farm product produced in a State that has established a central filing system—

(i) the commission merchant or selling agent has failed to register with the Secretary of State of such State prior to the purchase of farm products; and

(ii) the secured party has filed an effective financing statement or notice that covers the farm products being sold; or

(D) in the case of a farm product produced in a State that has established a central filing system, the commission merchant or selling agent—

(i) receives from the Secretary of State of such State written notice as provided in subsection (c)(2)(E) or (c)(2)(F) that specifies both the seller and the farm products being

sold by such seller as being subject to an effective financing statement or notice; and

(ii) does not secure a waiver or release of the security interest specified in such effective financing statement or notice from the secured party by performing any payment obligation or otherwise.

(3) What constitutes receipt, as used in this section, shall be determined by the law of the State in which the buyer resides.

(h)(1) A security agreement in which a person engaged in farming operations creates a security interest in a farm product may require the person to furnish to the secured party a list of the buyers, commission merchants, and selling agents to or through whom the person engaged in farming operations may sell such farm product.

(2) If a security agreement contains a provision described in paragraph (1) and such person engaged in farming operations sells the farm product collateral to a buyer or through a commission merchant or selling agent not included on such list, the person engaged in farming operations shall be subject to paragraph (3) unless the person—

(A) has notified the secured party in writing of the identity of the buyer, commission merchant, or selling agent at least 7 days prior to such sale; or

(B) has accounted to the secured party for the proceeds of such sale not later than 10 days after such sale.

(3) A person violating paragraph (2) shall be fined \$5,000 or 15 per centum of the value or benefit received for such farm product described in the security agreement, whichever is greater.

Regulations.

(i) The Secretary of Agriculture shall prescribe regulations not later than 90 days after the date of enactment of this Act to aid States in the implementation and management of a central filing system.

Effective date.

(j) This section shall become effective 12 months after the date of enactment of this Act.

PROHIBITING COORDINATED FINANCIAL STATEMENT

Regulations.

Loans.
7 USC 1989 note.

SEC. 1325. The Secretary of Agriculture shall not use or require the submission of the coordinated financial statement referred to in the proposed regulations of the Farmers Home Administration published in the Federal Register of November 8, 1983 (48 F.R. 51312-51317) in connection with an application submitted on or after the date of the enactment of this Act for any loan under any program of the Department of Agriculture carried out by the Farmers Home Administration.

REGULATORY RESTRAINT

12 USC 2254
note.

SEC. 1326. (a) Congress finds and declares that—

(1) high production costs and low commodity prices have combined to reduce farm income to the lowest levels since the depths of the Depression in the 1930's, to subject many agricultural producers, through no fault of their own, to severe economic hardship, and in many cases temporarily but seriously to impair producers' ability to meet loan repayment schedules in a timely fashion; and

Loans.
Banks and
banking.

(2) a policy of adverse classification of agricultural loans by bank examiners under these circumstances will trigger a wave of foreclosures and similar actions on the part of banks, thereby

depressing land values and prices for agricultural facilities and equipment and having a devastating effect on farmers and the banking industry, and upon rural areas of the United States in general.

(b) It is therefore the sense of Congress that the Federal bank regulatory agencies should ensure, in their examination procedures, that examiners exercise caution and restraint and give due consideration not only to the current cash flow of agricultural borrowers under financial stress, but to factors such as their loan collateral and ultimate ability to repay as well, for so long as the adverse economic effects of the cost-price squeeze of recent years continue to impair the ability of these borrowers to meet scheduled repayments on their loans.

Banks and banking. Loans.

STUDY OF FARM CREDIT SYSTEM

SEC. 1327. (a) The Farm Credit Administration shall conduct a study of the need for the establishment of a fund to be used—

(1) to insure institutions of the Farm Credit System against losses on loans made by such institutions; or

Loans.

(2) for any other purpose that would—

(A) assist in stabilizing the financial condition of such System; and

(B) provide for the protection of the capital that borrowers of such loans have invested in such System.

Loans.

(b) In conducting the study required under subsection (a), the Farm Credit Administration shall—

(1) consider the advisability of using the revolving funds provided for under section 4.1 of the Farm Credit Act of 1971 (12 U.S.C. 2152) to provide initial capital for the fund referred to in subsection (a); and

(2) estimate the amount and level of future assessments levied on institutions of the Farm Credit System that would be necessary to ensure the long-term liquidity of such fund.

(c) Not later than 180 days after the date of enactment of this Act, the Farm Credit Administration shall submit a report containing the results of the study required under subsection (a) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

Report.

CONTINUATION OF SMALL FARMER TRAINING AND TECHNICAL ASSISTANCE PROGRAM

SEC. 1328. The Secretary of Agriculture shall, during the period beginning on the date of enactment of this Act and ending on September 30, 1988, maintain at substantially current levels the small farmer training and technical assistance program in the office of the Administrator of the Farmers Home Administration.

7 USC 1981 note.

STUDY OF FARM AND HOME PLAN

SEC. 1329. (a) The Secretary of Agriculture shall conduct a study of the appropriateness of the Farm and Home Plan (Form FmHA 431-2) used by the Farmers Home Administration in connection with loans made or insured under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.).

Loans.

(b) After carrying out such study, if the Secretary finds the plan is inappropriate, the Secretary shall—

- (1) evaluate other alternative farm plan forms for use in connection with such loans;
- (2) evaluate the need to develop a new farm plan form for such use; and
- (3) specify the steps that should be taken to improve or replace the current form.

Report. (c) Not later than 120 days after the date of enactment of this Act, the Secretary shall report the results of the study required under subsection (a) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

National
Agricultural
Research,
Extension, and
Teaching Policy
Act
Amendments of
1985.

TITLE XIV—AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING

Subtitle A—General Provisions

SHORT TITLE

7 USC 3101 note. SEC. 1401. This title may be cited as the “National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985”.

FINDINGS

SEC. 1402. Section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101) is amended by—

- (1) in paragraph (8)—
 - (A) striking out “and” at the end of subparagraph (N);
 - (B) inserting “and” at the end of subparagraph (O); and
 - (C) adding at the end thereof the following new subparagraph:
 - “(P) research on new or improved food processing (such as food irradiation) or value-added food technologies;”;
- (2) in paragraph (10)—
 - (A) striking out “The research” and all that follows through the colon in the matter preceding the subparagraphs and inserting in lieu thereof the following: “The research, extension, and teaching programs must be maintained and constantly adjusted to meet ever-changing challenges. National support of cooperative research, extension, and teaching efforts must be reaffirmed and strengthened to meet major needs and challenges in the following areas:”;
 - (B) redesignating subparagraphs (B), (C), (D), (E), (F), and (G) as subparagraphs (C), (D), (F), (G), (H), and (I), respectively;
 - (C) inserting after subparagraph (A) the following new subparagraph:
 - “(B) AGRICULTURAL POLICY.—The effects of technological, economic, sociological, and environmental developments on the agricultural structure of the United States are strong and continuous. It is critical that emerging agricultural-related technologies, economic changes, and sociological and environmental developments, both national and international, be analyzed on a continuing basis in an interdisciplinary fashion to determine the effect of those forces

on the structure of agriculture and to improve agricultural policy decisionmaking.”;

(D) inserting after subparagraph (D) (as redesignated by subparagraph (B)) the following new subparagraph:

“(E) COORDINATION OF BIOTECHNOLOGY RESPONSIBILITIES OF FEDERAL GOVERNMENT.—Biotechnology guidelines and regulations must be made consistent throughout the Federal Government so they may promote scientific development and protect the public. The biotechnology risk assessment processes used by various Federal agencies must be standardized.”;

Regulations.

(E) striking out subparagraph (F) (as redesignated by subparagraph (B)) and inserting in lieu thereof the following new subparagraph:

“(F) NATURAL RESOURCES.—Improved management of soil, water, forest, and range resources is vital to maintain the resource base for food, fiber, and wood production. An expanded research program in the areas of soil and water conservation and forest and range production practices is needed to develop more economical and effective management systems. Key objectives of this research are—

Forests and forest products.
Conservation.

“(i) incorporating water and soil-saving technologies into current and evolving production practices;

“(ii) developing more cost-effective and practical conservation technologies;

“(iii) managing water in stressed environments;

“(iv) protecting the quality of the surface water and groundwater resources of the United States;

“(v) establishing integrated multidisciplinary organic farming research projects, including research on alternative farming systems, that will identify options from which individual farmers may select the production components that are most appropriate for their individual situations;

“(vi) developing better targeted pest management systems; and

“(vii) improving forest and range management technologies that meet demands more efficiently, better protect multiresource options, and enhance quality of output.”;

(F) in subparagraph (G) (as redesignated by subparagraph (B))—

(i) striking out “to” before “the economy”; and

(ii) striking out “owner-operated” before “family farms”; and

(G) striking out subparagraph (I) (as redesignated by subparagraph (B)) and inserting in lieu thereof the following new subparagraph:

“(I) INTERNATIONAL FOOD AND AGRICULTURE.—United States agricultural production has proven its ability to produce abundant quantities of food for an expanding world population. Despite rising expectation for improved diets in the world today, there are instances of drought, civil unrest, economic crisis, or other conditions that preclude the local production or distribution of food. There are instances where localized problems impede the ability of farmers to produce needed food products. It is also recognized that

Schools and colleges.

many nations have progressive and effective agricultural research programs that produce results of interest and applicability to United States agriculture. The exchange of knowledge and information between nations is essential to the well-being of all nations. A dedicated effort involving the Federal Government, the State cooperative institutions, and other colleges and universities is needed to expand international food and agricultural research, extension, and teaching programs. Improved cooperation and communication by the Department of Agriculture and the cooperators with international agricultural research centers, counterpart agencies, and universities in other nations are necessary to improve food and agricultural progress throughout the world.”;

(3) striking out the period at the end of paragraph (11) and inserting in lieu thereof “; and”; and

(4) adding at the end thereof the following new paragraph:

“(12) the agricultural system of the United States—

“(A) is increasingly dependent on science and technology to maintain and improve productivity levels, manage the resource base, provide high quality products, and protect the environment; and

“(B) requires a constant source of food and agricultural scientific expertise to maintain this dynamic system.”.

Science and
technology.

DEFINITIONS

SEC. 1403. Section 1404(8) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(8)) is amended by—

(1) striking out “and” at the end of subparagraph (H);

(2) inserting “and” at the end of subparagraph (I); and

(3) adding at the end thereof the following new subparagraph:

“(J) international food and agricultural issues, such as agricultural development, development of institutions, germ plasm collection and preservation, information exchange and storage, and scientific exchanges;”.

RESPONSIBILITIES OF THE SECRETARY OF AGRICULTURE

SEC. 1404. Section 1405 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3121) is amended by—

(1) striking out “and” at the end of paragraph (10); and

(2) striking out paragraph (11) and inserting in lieu thereof the following new paragraphs:

“(11) coordinate the efforts of States, State cooperative institutions, State extension services, the Joint Council, the Advisory Board, and other appropriate institutions in assessing the current status of, and developing a plan for, the effective transfer of new technologies, including biotechnology, to the farming community, with particular emphasis on addressing the unique problems of small- and medium-sized farms in gaining information about those technologies; and

“(12) establish appropriate controls with respect to the development and use of the application of biotechnology to agriculture.”.

Science and
technology.

JOINT COUNCIL ON FOOD AND AGRICULTURAL SCIENCES

SEC. 1405. (a) Section 1407(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122(a)) is amended by striking out "1985" and inserting in lieu thereof "1990".

(b) Section 1407(b) of such Act is amended by inserting before the last sentence the following new sentence: "To ensure that the views of food technologists are considered by the Joint Council, one of the members of the Joint Council shall, as determined to be appropriate by the Secretary, be appointed by the Secretary from among distinguished persons who are food technologists from accredited or certified departments of food technology, as determined by the Secretary."

(c) Section 1407(d)(2) of such Act is amended by—

- (1) striking out "and" at the end of subparagraph (F);
- (2) striking out the period at the end of subparagraph (G) and inserting in lieu thereof "; and"; and
- (3) adding at the end thereof the following new subparagraph: "(H) coordinate with the Secretary in assessing the current status of, and developing a plan for, the effective transfer of new technologies to the farming community."

NATIONAL AGRICULTURAL RESEARCH AND EXTENSION USERS ADVISORY BOARD

SEC. 1406. (a) Section 1408(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(a)) is amended by striking out "1985" and inserting in lieu thereof "1990".

(b) Section 1408(f)(2) of such Act (7 U.S.C. 3123(f)(2)) is amended by—

- (1) striking out "and" at the end of subparagraph (E);
- (2) striking out the period at the end of subparagraph (F) and inserting in lieu thereof "; and"; and
- (3) adding at the end thereof the following new subparagraph: "(G) coordinating with the Secretary in assessing the current status of, and developing a plan for, the effective transfer of new technologies to the farming community."

FEDERAL-STATE PARTNERSHIP

SEC. 1407. (a) The first sentence of section 1409A(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3124a(a)) is amended by—

- (1) striking out "and" at the end of paragraph (2);
- (2) striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and
- (3) adding at the end thereof the following new paragraph: "(4) international agricultural programs under title XII of the Foreign Assistance Act of 1961 (22 U.S.C. 2220a et seq.)."

(b) Section 1409A of such Act is amended by adding at the end thereof the following new subsections:

"(d)(1) To promote research for purposes of developing agricultural policy alternatives, the Secretary is encouraged—

- "(A) to designate at least one State cooperative institution to conduct research in an interdisciplinary fashion; and

“(B) to report on a regular basis with respect to the effect of emerging technological, economic, sociological, and environmental developments on the structure of agriculture.

“(2) Support for this effort should include grants to examine the role of various food production, processing, and distribution systems that may primarily benefit small- and medium-sized family farms, such as diversified farm plans, energy, water, and soil conservation technologies, direct and cooperative marketing, production and processing cooperatives, and rural community resource management.

“(e) To address more effectively the critical need for reducing farm input costs, improving soil, water, and energy conservation on farms and in rural areas, using sustainable agricultural methods, adopting alternative processing and marketing systems, and encouraging rural resources management, the Secretary is encouraged to designate at least one State agricultural experiment station and one Agricultural Research Service facility to examine these issues in an integrated and comprehensive manner, while conducting ongoing pilot projects contributing additional research through the Federal-State partnership.”.

REPORT OF THE SECRETARY OF AGRICULTURE

SEC. 1408. Section 1410 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125) is amended by—

- (1) inserting “and” at the end of paragraph (2);
- (2) striking out “; and” at the end of paragraph (3) and inserting in lieu thereof a period; and
- (3) striking out paragraph (4).

COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANTS

SEC. 1409. (a)(1) The third sentence of section 2(b) of the Act entitled “An Act to facilitate the work of the Department of Agriculture, and for other purposes”, approved August 4, 1965 (7 U.S.C. 450i(b)), is amended by—

- (A) inserting “, with emphasis on biotechnology,” after “(2) research” in paragraph (2);
- (B) striking out “and” at the end of paragraph (5);
- (C) striking out the period at the end of paragraph (6) and inserting in lieu thereof a semicolon; and
- (D) adding at the end thereof the following new paragraphs:
 - “(7) research to reduce farm input costs through the collection of national and international data and the transfer of appropriate technology relating to sustainable agricultural systems, soil, energy, and water conservation technologies, rural and farm resource management, and the diversification of farm product processing and marketing systems; and
 - “(8) research to develop new and alternative industrial uses for agricultural crops.”.

Science and
technology.
Conservation.

Prohibition.

(2) Section 2(b) of such Act is amended by inserting after the fourth sentence the following new sentence: “No grant may be made under this subsection for any purpose for which a grant may be made under subsection (d) or for the planning, repair, rehabilitation, acquisition, or construction of a building or a facility.”.

(3) Effective October 1, 1985, section 2(b) of such Act is amended by striking out the last sentence and inserting in lieu thereof the following new sentences: "There are authorized to be appropriated, for the purpose of carrying out this subsection, \$70,000,000 for each of the fiscal years ending September 30, 1986, through September 30, 1990. Four percent of the amount appropriated for each of such fiscal years to carry out this subsection may be retained by the Secretary to pay administrative costs incurred by the Secretary to carry out this subsection."

Effective date.
7 USC 450i.

(b)(1) Section 2(c) of such Act is amended by inserting after the first sentence the following new sentence:
"No grant may be made under this subsection for any purpose for which a grant may be made under subsection (d) or for the planning, repair, rehabilitation, acquisition, or construction of a building or facility."

7 USC 450i.

Prohibition.
Grants.

(2) Effective October 1, 1985, section 2(c) of such Act is amended by adding at the end thereof the following new sentence: "Four percent of the amount appropriated for any fiscal year to carry out this subsection may be retained by the Secretary to pay administrative costs incurred by the Secretary to carry out this subsection."

Effective date.

(c) Section 2 of such Act is amended by adding at the end thereof the following new subsection:

"(i) The Federal Advisory Committee Act (5 U.S.C. App. 2) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to a panel or board created for the purpose of reviewing applications or proposals submitted under this section."

Prohibition.

GRANTS FOR SCHOOLS OF VETERINARY MEDICINE

SEC. 1410. Section 1415(c)(1) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3151(c)(1)) is amended by striking out "Four" and inserting in lieu thereof "Five".

RESEARCH FACILITIES

SEC. 1411. (a) The first section of the Act entitled "An Act to assist the States to provide additional facilities for research at the State agricultural experiment stations", approved July 22, 1963 (7 U.S.C. 390), is amended by—

- (1) inserting "on a matching funds basis" after "funds";
- (2) inserting "and equipment" after "facilities"; and
- (3) striking out "an adequate research program" and inserting in lieu thereof "agricultural research and related academic programs".

(b) Section 2 of such Act (7 U.S.C. 390a) is amended by—

- (1) striking out "which are to become a part of such buildings"; and
- (2) inserting "matching" after "means of".

(c) Section 3 of such Act (7 U.S.C. 390b) is amended by—

- (1) striking out paragraph (1) and inserting in lieu thereof the following new paragraph:

"(1) the term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the Virgin Islands of the United States;" and

(2) in paragraph (2), inserting “, forestry, or veterinary medicine” after “to conduct agricultural”.

(d)(1) Effective October 1, 1985, subsection (a) of section 4 of such Act (7 U.S.C. 390c(a)) is amended to read as follows:

“(a) There are authorized to be appropriated, for grants to eligible institutions under this Act to be used for the purpose set out in section 2, \$20,000,000 for each of the fiscal years ending September 30, 1986, through September 30, 1990.”

7 USC 390e.

(2) Subsection (b) of section 4 of such Act is amended to read as follows:

Prohibition.
Grants.
Ante, p. 1547.

“(b) No grant may be made under section 2 for an amount exceeding a percentage determined by the Secretary of the cost of the project for which such grant is made. The remaining cost of such project shall be paid with funds from non-Federal sources.”

(e) The first sentence of section 5 of such Act (7 U.S.C. 390d) is amended by—

(1) striking out “apportioned”; and

(2) striking out “, which are to become part of such buildings”.

Repeal.

(f) Section 6 of such Act (7 U.S.C. 390e) is repealed.

(g) Section 7 of such Act (7 U.S.C. 390f) is amended by—

(1) inserting “equipment and” after “multiple-purpose”; and

(2) inserting “and related programs, including forestry and veterinary medicine,” after “research”.

Repeal.

(h) Section 8 of such Act (7 U.S.C. 390g) is repealed.

(i)(1) The first sentence of section 9(a) of such Act (7 U.S.C. 390h(a)) is amended by—

(A) striking out “authorized to receive” and inserting in lieu thereof “that receives”;

(B) striking out “section 4” and inserting in lieu thereof “section 2”; and

(C) striking out “section 4(b)” and inserting in lieu thereof “section 3(2)”.

(2) Section 9(b) of such Act (7 U.S.C. 390h(b)) is amended by—

(A) striking out “allotted funds received” and inserting in lieu thereof “funds received under this Act”; and

(B) striking out “allocated or”.

(j) Clause (3) of section 10 of such Act (7 U.S.C. 390i) is amended to read as follows: “(3) those eligible institutions, if any, that were prevented, because of failure to repay funds as required by section 7(b), from receiving any grant under this Act”.

(k) Sections 7, 9, 10, and 11 of such Act (7 U.S.C. 390f, 390h, 390i, 390j) are redesignated as sections 6, 7, 8, and 9, respectively.

(l) Such Act (7 U.S.C. 390 et seq.) is amended by adding at the end thereof the following new section:

“SEC. 10. This Act may be cited as the ‘Research Facilities Act’.”

Research
Facilities Act.
7 USC 390 note.

GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES
EDUCATION

SEC. 1412. (a) Section 1417(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(a)) is amended by—

(1) in the second sentence of paragraph (2), striking out “Such grants shall be made without regard to matching funds, but each” and inserting in lieu thereof “Each”; and

(2) striking out the last sentence of paragraph (3) and inserting in lieu thereof the following new sentence:

"Each recipient institution shall have a significant ongoing commitment to the food and agricultural sciences generally and to the specific subject area for which such grant is to be used."

(b) Subsection (d) of section 1417 of such Act is amended to read as follows: 7 USC 3152.

"(d) There are authorized to be appropriated for purposes of carrying out this section \$50,000,000 for each of the fiscal years ending September 30, 1982, through September 30, 1990."

(c) Section 1417 of such Act is amended by adding at the end thereof the following new subsection:

"(e) The Federal Advisory Committee Act (5 U.S.C. App. 2) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to a panel or board created for the purpose of reviewing applications or proposals submitted under this section." Prohibition.

FOOD AND HUMAN NUTRITION RESEARCH AND EXTENSION PROGRAM

SEC. 1413. Sections 1424 and 1427 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174 and 3177) are repealed. Repeal.

ANIMAL HEALTH AND DISEASE RESEARCH

SEC. 1414. (a) The first sentence of section 1432(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3194(a)) is amended by striking out "1985" and inserting in lieu thereof "1990".

(b) The first sentence of section 1433(a) of such Act (7 U.S.C. 3195(a)) is amended by striking out "1985" and inserting in lieu thereof "1990".

(c) Section 1434(a) of such Act (7 U.S.C. 3196(a)) is amended by striking out "1985" and inserting in lieu thereof "1990".

EXTENSION AT 1890 LAND-GRANT COLLEGES

SEC. 1415. The third sentence of section 1444(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221(a)) is amended by—

(1) striking out " , through the fiscal year ending September 30, 1985,"; and

(2) inserting before the period at the end thereof the following: " , and related acts pertaining to cooperative extension work at the land-grant institutions identified in the Act of May 8, 1914 (38 Stat. 372, chapter 79; 7 U.S.C. 341 et seq.)".

GRANTS TO UPGRADE 1890 LAND-GRANT COLLEGE EXTENSION FACILITIES

SEC. 1416. (a) It is the intent of Congress to assist institutions eligible to receive funds under the Act of August 30, 1890 (26 Stat. 417, chapter 841; 7 U.S.C. 321 et seq.), including Tuskegee Institute (hereafter in this section referred to as "eligible institutions"), in the acquisition and improvement of extension facilities and equipment so that eligible institutions may participate fully with the State cooperative extension services in a balanced way in meeting the extension needs of the people of their respective States.

Tuskegee
Institute.
7 USC 3224.

(b) There are authorized to be appropriated for the purpose of carrying out this section \$10,000,000 for each of the fiscal years

ending September 30, 1986, through September 30, 1990, such sums to remain available until expended.

(c) Four percent of the sums appropriated under this section shall be available to the Secretary of Agriculture for administration of the grants program under this section. The remaining funds shall be made available for grants to the eligible institutions for the purpose of assisting the institutions in the purchase of equipment and land, and the planning, construction, alteration, or renovation of buildings, to provide adequate facilities to conduct extension work in their respective States.

(d) Grants awarded under this section shall be made in such amounts and under such terms and conditions as the Secretary of Agriculture shall determine necessary for carrying out this section.

Prohibition.

(e) Federal funds provided under this section may not be used for the payment of any overhead costs of the eligible institutions.

Regulations.

(f) The Secretary of Agriculture may promulgate such rules and regulations as the Secretary considers necessary to carry out this section.

RESEARCH AT 1890 LAND-GRANT COLLEGES

Prohibition.

SEC. 1417. (a) Section 1445(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222(a)) is amended by adding at the end thereof the following new sentence: "No more than 5 percent of the funds received by an institution in any fiscal year, under this section, may be carried forward to the succeeding fiscal year."

(b) Paragraph (2) of section 1445(g) is amended to read as follows:

"(2) If it appears to the Secretary from the annual statement of receipts and expenditures of funds by any eligible institution that an amount in excess of 5 percent of the preceding annual appropriation allotted to that institution under this section remains unexpended, such amount in excess of 5 percent of the preceding annual appropriation allotted to that institution shall be deducted from the next succeeding annual allotment to the institution."

INTERNATIONAL AGRICULTURAL RESEARCH AND EXTENSION

SEC. 1418. Section 1458(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3291(a)) is amended by—

(1) in paragraph (3), striking out "the training of" and inserting in lieu thereof "providing technical assistance, training, and advice to"; and

(2) in paragraph (4), inserting "through the development of highly qualified scientists with specialization in international development" after "countries".

INTERNATIONAL TRADE DEVELOPMENT CENTERS

Effective date.

SEC. 1419. (a) Effective October 1, 1985, the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by inserting, after section 1458, the following:

"GRANTS TO STATES FOR INTERNATIONAL TRADE DEVELOPMENT CENTERS

7 USC 3292.

"SEC. 1458A. (a) The Secretary shall establish and carry out a program to make grants to States for the establishment and oper-

ation of international trade development centers, or the expansion of existing international trade development centers, in the United States to enhance the exportation of agricultural products and related products. Such grants shall be based on a matching formula of 50 per centum Federal and 50 per centum State funding (including funds received by the State from private sources and from units of local government).

“(b) In making grants under subsection (a), the Secretary shall give preference to States that intend to use, as sites for international trade development centers, land-grant colleges and universities (as defined in section 1404(10) of this Act) that—

Schools and colleges.

“(1) operate agricultural programs;

“(2) have existing international trade programs that use an interdisciplinary approach and are operated jointly with State and Federal agencies to address international trade problems; and

“(3) have an effective and progressive communications system that might be linked on an international basis to conduct conferences or trade negotiations.

“(c) Such centers may—

“(1) through research, establish a permanent data base to address the problems faced by potential exporters, including language barriers, interaction with representatives of foreign governments, transportation of goods and products, insurance and financing within foreign countries, and collecting international marketing data;

Transportation.
Marketing.

“(2) be used to house permanent or temporary exhibits that will stimulate and educate trade delegations from foreign nations with respect to agricultural products and related products produced in the United States and be made available for use by State and regional entities for exhibits, trade seminars, and negotiations involving such products; and

“(3) carry out such other activities relating to the exportation of agricultural products and related products as the Secretary may approve.

“(d) There are hereby authorized to be appropriated such sums as are necessary to carry out the provisions of this section.”

(b) Effective October 1, 1985, the table of contents of the Food and Agriculture Act of 1977 is amended by inserting a new item:

Effective date.

“Sec. 1458A. Grants to States for international trade development centers.” after the item

“Sec. 1458. International agricultural research and extension.”

AGRICULTURAL INFORMATION EXCHANGE WITH IRELAND

SEC. 1420. (a) The Secretary of Agriculture shall undertake discussions with representatives of the Government of Ireland that may lead to an agreement that will provide for the development of a program between the United States and Ireland whereby there will be—

(1) a greater exchange of—

(A) agricultural scientific and educational information, techniques, and data;

Science and technology.

(B) agricultural marketing information, techniques, and data; and

Marketing.

(C) agricultural producer, student, teacher, agribusiness (private and cooperative) personnel; and
 (2) the fostering of joint investment ventures, cooperative research, and the expansion of United States trade with Ireland.

(b) The Secretary shall periodically report to the Chairman of the Committee on Agriculture of the House of Representatives and the Chairman of the Committee on Agriculture, Nutrition, and Forestry of the Senate to keep such Committees apprised of the progress and accomplishments, and such other information as the Secretary considers appropriate, with regard to the development of such program.

STUDIES

Repeal. SEC. 1421. Sections 1459, 1460, 1461, and 1462 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3301, 3302, 3303, and 3304) are repealed.

AUTHORIZATION FOR APPROPRIATIONS FOR CERTAIN AGRICULTURAL RESEARCH PROGRAMS

Effective date. SEC. 1422. (a) Effective October 1, 1985, section 1463(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(a)) is amended by striking out "\$505,000,000" and all that follows through "subsequent fiscal year" and inserting in lieu thereof "\$600,000,000 for the fiscal year ending September 30, 1986, \$610,000,000 for the fiscal year ending September 30, 1987, \$620,000,000 for the fiscal year ending September 30, 1988, \$630,000,000 for the fiscal year ending September 30, 1989, and \$640,000,000 for the fiscal year ending September 30, 1990".

Effective date. (b) Effective October 1, 1985, section 1463(b) of such Act (7 U.S.C. 3311(b)) is amended by striking out "\$120,000,000" and all that follows through "subsequent fiscal year" and inserting in lieu thereof "\$270,000,000 for the fiscal year ending September 30, 1986, \$280,000,000 for the fiscal year ending September 30, 1987, \$290,000,000 for the fiscal year ending September 30, 1988, \$300,000,000 for the fiscal year ending September 30, 1989, and \$310,000,000 for the fiscal year ending September 30, 1990".

AUTHORIZATION FOR APPROPRIATIONS FOR EXTENSION EDUCATION

Effective date. SEC. 1423. Effective October 1, 1985, section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking out "\$260,000,000" and all that follows through "subsequent fiscal year" and inserting in lieu thereof "\$370,000,000 for the fiscal year ending September 30, 1986, \$380,000,000 for the fiscal year ending September 30, 1987, \$390,000,000 for the fiscal year ending September 30, 1988, \$400,000,000 for the fiscal year ending September 30, 1989, and \$420,000,000 for the fiscal year ending September 30, 1990".

CONTRACTS, GRANTS, AND COOPERATIVE AGREEMENTS

SEC. 1424. Section 1472 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3318) is amended by—

(1) redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively; and

(2) inserting after subsection (a) the following new subsection:
 “(b)(1) Notwithstanding chapter 63 of title 31, United States Code, the Secretary may use a cooperative agreement as the legal instrument reflecting a relationship between the Secretary and a State cooperative institution, State department of agriculture, college, university, other research or educational institution or organization, Federal or private agency or organization, individual, or any other party, if the Secretary determines that—

Schools and
colleges.
31 USC 6301
et seq.

“(A) the objectives of the agreement will serve a mutual interest of the parties to the agreement in agricultural research, extension, and teaching activities, including statistical reporting; and

“(B) all parties will contribute resources to the accomplishment of those objectives.

“(2) Notwithstanding any other provision of law, any Federal agency may participate in any such cooperative agreement by contributing funds through the appropriate agency of the Department of Agriculture or otherwise if it is mutually agreed that the objectives of the agreement will further the authorized programs of the contributing agency.”.

INDIRECT COSTS

Sec. 1425. Section 1473 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319) is amended by adding at the end thereof the following new sentences: “The prohibition on the use of such funds for the reimbursement of indirect costs shall not apply to funds for international agricultural programs conducted by a State cooperative institution and administered by the Secretary or to funds provided by a Federal agency for such cooperative program or project through a fund transfer, advance, or reimbursement. The Secretary shall limit the amount of such reimbursement to an amount necessary to carry out such program or agreement.”.

COST-REIMBURSABLE AGREEMENTS

Sec. 1426. The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1473 (7 U.S.C. 3319) the following new section:

Supra.

“COST-REIMBURSABLE AGREEMENTS

“Sec. 1473A. Notwithstanding any other provision of law, the Secretary of Agriculture may enter into cost-reimbursable agreements with State cooperative institutions without regard to any requirement for competition, for the acquisition of goods or services, including personal services, to carry out agricultural research, extension, or teaching activities of mutual interest. Reimbursable costs under such agreements shall include the actual direct costs of performance, as mutually agreed on by the parties, and the indirect costs of performance, not exceeding 10 percent of the direct cost.”.

7 USC 3319a.

TECHNOLOGY DEVELOPMENT

Sec. 1427 The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (as amended by section 1425) is

Ante, p. 1553. amended by inserting after section 1473A the following new sections:

“TECHNOLOGY DEVELOPMENT FOR SMALL- AND MEDIUM-SIZED FARMING OPERATIONS

7 USC 3319b. “SEC. 1473B. It is the sense of Congress that the agricultural research, extension, and teaching activities conducted by the Secretary of Agriculture relating to the development, application, transfer, or delivery of agricultural technology, and, to the greatest extent practicable, any funding that is received by the Secretary of Agriculture for such activities, should be directed to technology that can be used effectively by small- and medium-sized farming operations.

“SPECIAL TECHNOLOGY DEVELOPMENT RESEARCH PROGRAM

7 USC 3319c.
31 USC 6301
et seq. “SEC. 1473C. (a) Notwithstanding chapter 63 of title 31, United States Code, the Secretary may enter into a cooperative agreement with a private agency, organization, or individual to share the cost of a research project, or to allow the use of a Federal facility or service on a cost-sharing or cost reimbursable basis, to develop new agricultural technology to further a research program of the Secretary.

Prohibition. “(b) For each of the fiscal years ending September 30, 1986, through September 30, 1990, not more than \$3,000,000 of the funds appropriated to the Agricultural Research Service for such fiscal year may be used to carry out this section.

“(c)(1) To be eligible to receive a contribution under this section, matching funds in an amount equal to at least 50 percent of such contribution shall be provided from non-Federal sources by the recipient or recipients of such contribution.

“(2) Funds received by the Secretary under this section shall be deposited in a separate account or accounts, to be available until expended. Such funds may be used to pay directly the costs of such research projects and to repay or make advances to appropriations or funds that do or will initially bear all or part of such costs.

Prohibition. “(3) The amount of funds or in kind assistance that may be made available under this section by the Secretary for a particular research project may not exceed—

“(A) an amount of \$50,000 in any fiscal year; or
“(B) a total amount of \$150,000.”.

SUPPLEMENTAL AND ALTERNATIVE CROPS

Supra. SEC. 1428. The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 *et seq.*) (as amended by section 1426) is amended by inserting after section 1473C the following new section:

“SUPPLEMENTAL AND ALTERNATIVE CROPS

7 USC 3319d. “SEC. 1473D. (a) Notwithstanding any other provision of law, during the period beginning October 1, 1986, and ending September 30, 1990, the Secretary shall develop and implement a research and pilot project program for the development of supplemental and alternative crops, using such funds as are appropriated to the Secretary each fiscal year under this title.

“(b) The development of supplemental and alternative crops is of critical importance to producers of agricultural commodities whose livelihood is threatened by the decline in demand experienced with respect to certain of their crops due to changes in consumption patterns or other related causes.

“(c)(1) The Secretary shall use such research funding, special or competitive grants, or other means, as the Secretary determines, to further the purposes of this section in the implementation of a comprehensive and integrated program. Grants.

“(2) The program developed and implemented by the Secretary shall include—

“(A) an examination of the adaptation of supplemental and alternative crops;

“(B) the establishment and extension of various methods of planting, cultivating, harvesting, and processing supplemental and alternative crops at pilot sites in areas adversely affected by declining demand for crops grown in the area;

“(C) the transfer of such applied research from pilot sites to on-farm practice as soon as practicable;

“(D) the establishment through grants, cooperative agreements, or other means of such processing, storage, and transportation facilities near such pilot sites for supplemental and alternative crops as the Secretary determines will facilitate the achievement of a successful pilot program; and Grants.

“(E) the application of such other resources and expertise as the Secretary considers appropriate to support the program.

“(3) The pilot program may include, but shall not be limited to, agreements, grants, and other arrangements— Prohibition. Grants.

“(A) to conduct comprehensive resource and infrastructure assessments;

“(B) to develop and introduce supplemental and alternative income-producing crops;

“(C) to develop and expand domestic and export markets for such crops; and

“(D) to provide technical assistance to farm owners and operators, marketing cooperatives, and others.

“(d) The Secretary shall use the expertise and resources of the Agricultural Research Service, the Cooperative State Research Service, the Extension Service, and the land-grant colleges and universities for the purpose of carrying out this section.”. Schools and colleges.

AQUACULTURE

SEC. 1429. (a) Section 1475 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3322) is amended by—

(1) in the first sentence of subsection (b)—

(A) striking out “and” at the end of paragraph (2);

(B) inserting “and” after the semicolon at the end of paragraph (3); and

(C) inserting after paragraph (3) the following new paragraph:

“(4) nonprofit private research institutions;”;

(2) in the last sentence of subsection (b), inserting “(of which amount an in-kind contribution may not exceed 50 percent)” after “matching grant”; Prohibition.

(3) in the first sentence of subsection (d), striking out “State agencies” and all that follows through “universities,” and inserting in lieu thereof “any of the non-Federal entities specified in subsection (b)”;

(4) adding at the end of subsection (d) the following new sentence: “To the extent practicable, the aquaculture research, development, and demonstration centers established under this subsection shall be geographically located so that they are representative of the regional aquaculture opportunities in the United States.”; and

(5) in the first sentence of subsection (e), inserting “the House Committee on Merchant Marine and Fisheries,” after “House Committee on Agriculture,”.

Repeal.

(b) Section 1476 of such Act (7 U.S.C. 3323) is repealed.

(c) Section 1477 of such Act (7 U.S.C. 3324) is amended to read as follows:

“AUTHORIZATION FOR APPROPRIATIONS

“SEC. 1477. There is authorized to be appropriated \$7,500,000 for each fiscal year beginning after the effective date of this subtitle, and ending with the fiscal year ending September 30, 1990.”.

RANGELAND RESEARCH

SEC. 1430. (a) The first sentence of section 1482(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3335(a)) is amended by striking out “1985” and inserting in lieu thereof “1990”.

(b) Section 1483(a) of such Act (7 U.S.C. 3336(a)) is amended by striking out “1985” and all that follows through “subsequent fiscal year” and inserting in lieu thereof “1990”.

AUTHORIZATION FOR APPROPRIATIONS FOR FEDERAL AGRICULTURAL
RESEARCH FACILITIES

SEC. 1431. (a) There are authorized to be appropriated for each of the fiscal years ending September 30, 1988, through September 30, 1990, such sums as may be necessary for the planning, construction, acquisition, alteration, and repair of buildings and other public improvements, including the cost of acquiring or obtaining rights to use land, of or used by the Agricultural Research Service, except that—

Prohibition.

(1) the cost of planning any one facility shall not exceed \$500,000; and

Prohibition.

(2) the total cost of any one facility shall not exceed \$5,000,000.

(b) Not later than 60 days after the end of each of the fiscal years ending September 30, 1986, through September 30, 1990, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and to the Committee on Agriculture, Nutrition, and Forestry of the Senate a report specifying—

(1) the location of each building, laboratory, research facility, and other public improvement of or to be used by the Agricultural Research Service that is planned, constructed, acquired, repaired, or remodeled, with funds appropriated under subsection (a), in the fiscal year involved; and

(2) with respect to each such building, laboratory, research facility, and improvement—

(A) the amount of such funds obligated in the fiscal year; and

(B) the amount of such funds expended in the fiscal year for such item.

DAIRY GOAT RESEARCH

SEC. 1432. Effective October 1, 1985, section 1432(b)(5) of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1981 (7 U.S.C. 3222 note) is amended by striking out “September” the first place it appears and all that follows through “1985” and inserting in lieu thereof “September 30, 1986, through September 30, 1990”.

Effective date.

GRANTS TO UPGRADE 1890 LAND-GRANT COLLEGE RESEARCH FACILITIES

SEC. 1433. (a) Section 1433(a) of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1981 (7 U.S.C. 3223(a)) is amended by inserting “, including agricultural libraries,” after “equipment”.

Libraries.

(b) Section 1433(b) of such Act (7 U.S.C. 3223(b)) is amended by—

(1) striking out “and” after “1985,”; and

(2) inserting “and September 30, 1987,” after “1986,”.

SOYBEAN RESEARCH ADVISORY INSTITUTE

SEC. 1434. Section 1446 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1981 (7 U.S.C. 2281 note) is repealed.

Repeal.

SMITH-LEVER ACT

SEC. 1435. (a) Section 2 of the Act of May 8, 1914 (38 Stat. 372, chapter 79; 7 U.S.C. 342) (hereafter in this section referred to as the Smith-Lever Act) (7 U.S.C. 342) is amended by—

7 USC 341 note.

(1) inserting “development of practical applications of research knowledge and” after “consist of the”; and

(2) inserting “of existing or improved practices or technologies” after “practical demonstrations”.

(b) Section 3 of the Smith-Lever Act (7 U.S.C. 343) is amended by adding at the end thereof the following:

“(f)(1) The Secretary of Agriculture may conduct educational, instructional, demonstration, and publication distribution programs through the Federal Extension Service and enter into cooperative agreements with private nonprofit and profit organizations and individuals to share the cost of such programs through contributions from private sources as provided in this subsection.

Education.

“(2) The Secretary may receive contributions under this subsection from private sources for the purposes described in paragraph (1) and provide matching funds in an amount not greater than 50 percent of such contributions.

Prohibition.

(c)(1) The Secretary of Agriculture shall conduct a study to determine whether any funds that are—

Study.

(A) appropriated after the date of the enactment of this Act to carry out the Smith-Lever Act (7 U.S.C. 341 et seq.), other than section 8 of such Act (7 U.S.C. 347a); and

- 7 USC 347a. (B) in excess of the aggregate amount appropriated to carry out the Smith-Lever Act (other than section 8 of such Act) in the fiscal year ending September 30, 1985, can be allocated more effectively among the States.
- Report. (2) Not later than 1 year after the date of the enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report summarizing the results of such study and containing the recommendations of the Secretary regarding the allocation of such funds.
- Effective date. 7 USC 343 note. (d) This section and the amendments made by this section shall become effective on October 1, 1985.

MARKET EXPANSION RESEARCH

- Transportation. 7 USC 1632. SEC. 1436. (a) The Secretary of Agriculture, using available funds, shall increase and intensify research programs conducted by or for the Department of Agriculture that are directed at developing technology to overcome barriers to expanded sales of United States agricultural commodities and the products thereof in domestic and foreign markets, including research programs for the development of procedures to meet plant quarantine requirements and improvement in the transportation and handling of perishable agricultural commodities.
- Forests and forest products. (b)(1) The Secretary of Agriculture shall conduct a research and development program to formulate new uses for farm and forest products. Such program shall include, but not be limited to, research and development of industrial, new, and value-added products.
- Schools and colleges. Contracts. (2) To the extent practicable, the Secretary of Agriculture shall carry out the program authorized in this subsection with colleges and universities, private industry, and Federal and State entities through a combination of grants, cooperative agreements, contracts, and interagency agreements.
- (3)(A) There are authorized to be appropriated such sums as are necessary to carry out the program authorized under this subsection.
- (B) In addition, the Secretary may use funds appropriated or made available to the Secretary under provisions of law other than subparagraph (A) to carry out such program.
- Prohibition. (C) To the extent requests are made for matching funds under such program, the total amount of funds used by the Secretary to carry out the program under this subsection may not be less than \$10,000,000 for each of the fiscal years ending September 30, 1986, through September 30, 1990.
- (4) Funds appropriated under subparagraph (A) or made available under subparagraph (B) may be transferred among appropriation accounts to carry out the purposes of the program authorized under this subsection.
- Prohibition. (5) Notwithstanding any other provision of law, the Federal share of the cost of each research or development project funded under this subsection may not exceed 50 percent of the cost of such project.

PESTICIDE RESISTANCE STUDY

- Report. SEC. 1437. (a) The Secretary of Agriculture is encouraged to conduct a study on the detection and management of pesticide

resistance and, within 1 year after the date of enactment of this Act, submit to the President and Congress a report on such study.

(b) The study shall include—

(1) a review of existing efforts to examine and identify the mechanisms, genetics, and ecological dynamics of target populations of insect and plant pests developing resistance to pesticides;

(2) a review of existing efforts to monitor current and historical patterns of pesticide resistance; and

(3) a strategy for the establishment of a national pesticide resistance monitoring program, involving Federal, State, and local agencies, as well as the private sector.

EXPANSION OF EDUCATION STUDY

SEC. 1438. (a) The Secretary of Agriculture and the Secretary of Education are authorized to take such joint action as may be necessary to expand the scope of the study, known as the Study of Agriculture Education on the Secondary Level, currently being conducted by the National Academy of Sciences and sponsored jointly by the Departments of Agriculture and Education to include—

(1) a study of the potential use of modern technology in the teaching of agriculture programs at the secondary school level; and

Science and technology.

(2) recommendations of the National Academy of Sciences on how modern technology can be most effectively utilized in the teaching of agricultural programs at the secondary school level.

Science and technology.

(b) Any increase in the cost of conducting such study as a result of expanding the scope of such study pursuant to subsection (a) shall be borne by the Secretary of Agriculture out of funds appropriated to the Department of Agriculture for research and education or from funds made available to the National Academy of Sciences from private sources to expand the scope of such study.

CRITICAL AGRICULTURAL MATERIALS

SEC. 1439. (a) Section 5(b)(9) of the Critical Agricultural Materials Act (7 U.S.C. 178c(b)(9)) is amended by inserting “, carrying out demonstration projects to promote the development or commercialization of such crops (including projects designed to expand domestic or foreign markets for such crops),” after “purposes,”.

98 Stat. 182.

(b) Section 5 of such Act is amended by adding at the end thereof the following new subsection:

“(d) Notwithstanding any other provision of law, in carrying out a demonstration project referred to in subsection (b)(9), the Secretary may—

“(1) enter into a contract or cooperative agreement with, or provide a grant to, any person, or public or private agency or organization, to participate in, carry out, support, or stimulate such project;

Contracts.
Grants.

“(2) make available for purposes of clause (1) agricultural commodities or the products thereof acquired by the Commodity Credit Corporation under price support operations conducted by the Corporation; or

“(3) use any funds appropriated pursuant to section 16(a), or any funds provided by any person, or public or private agency or

98 Stat. 184.
7 USC 178n.

organization, to carry out such project or reimburse the Commodity Credit Corporation for agricultural commodities or products that are utilized in connection with such project.”

SPECIAL GRANTS FOR FINANCIALLY STRESSED FARMERS AND DISLOCATED FARMERS

SEC. 1440. (a) Section 502 of the Rural Development Act of 1972 (7 U.S.C. 2662) is amended by inserting at the end thereof the following new subsection:

“(f) **SPECIAL GRANTS FOR FINANCIALLY STRESSED FARMERS AND DISLOCATED FARMERS.**—(1)(A) The Secretary shall provide special grants for programs to develop income alternatives for farmers who have been adversely affected by the current farm and rural economic crisis and those displaced from farming.

Education.

“(B) Such programs shall consist of educational and counseling services to farmers to—

“(i) assess human and nonhuman resources;

“(ii) assess income earning alternatives;

“(iii) identify resources and opportunities available to the farmer in the local community, county, and State;

“(iv) implement financial planning and management strategies; and

“(v) provide linkages to specific resources and opportunities that are available to the farmer, such as reentering agriculture, new business opportunities, other off-farm jobs, job search programs, and retraining skills.

“(C) The Secretary also may provide support to mental health officials in developing outreach programs in rural areas.

“(2) Grants may be made under paragraph (1) during the period beginning on the date of enactment of the Food Security Act of 1985 and ending 3 years after such date.”

(b) Section 503(c) of such Act (7 U.S.C. 2663(c)) is amended by inserting “and section 502(f)” after “section 502(e)” both times it appears.

ANNUAL REPORT ON FAMILY FARMS

SEC. 1441. Section 102(b) of the Food and Agriculture Act of 1977 (7 U.S.C. 2266(b)) is amended by—

(1) designating the first and second sentences as paragraphs (1) and (2), respectively; and

(2) amending paragraph (2) (as so designated) to read as follows:

“(2) The Secretary shall also include in each such report—

“(A) information on how existing agricultural and agriculture-related programs are being administered to enhance and strengthen the family farm system of agriculture in the United States;

“(B) an assessment of how tax, credit, and other current Federal income, excise, estate, and other tax laws, and proposed changes in such laws, may affect the structure and organization of, returns to, and investment opportunities by family and nonfamily farm owners and operators, both foreign and domestic;

Science and technology.

“(C) identification and analysis of new food and agricultural production and processing technological developments, espe-

cially in the area of biotechnology, and evaluation of the potential effect of such developments on—

- “(i) the economic structure of the family farm system;
- “(ii) the competitive status of domestically-produced agricultural commodities and foods in foreign markets; and
- “(iii) the achievement of Federal agricultural program objectives;
- “(D) an assessment of the credit needs of family farms and the extent to which those needs are being met, and an analysis of the effects of the farm credit situation on the economic structure of the family farm system;
- “(E) an assessment of how economic policies and trade policies of the United States affect the financial operation of, and prospects for, family farm operations;
- “(F) an assessment of the effect of Federal farm programs and policies on family farms and non-family farms that—
 - “(i) derive the majority of their income from non-farm sources; and
 - “(ii) derive the majority of their income from farming operations; and
- “(G) such other information as the Secretary considers appropriate or determines would aid Congress in protecting, preserving, and strengthening the family farm system of agriculture in the United States.”.

CONFORMING AMENDMENTS TO TABLES OF CONTENTS

SEC. 1442. (a) The table of contents of the Food and Agriculture Act of 1977 (Public Law 95-113; 91 Stat. 913) (as amended by sections 1413, 1420, 1425, 1426, 1427, and 1428(b)) is amended by—

- (1) striking out the items relating to sections 1424, 1427, 1459, 1460, 1461, 1462, 1476;
- (2) inserting after the item relating to section 1473 the following new items:

“Sec. 1473A. Cost-reimbursable agreements.

“Sec. 1473B. Technology development for small and medium-sized farming operations.

“Sec. 1473C. Special technology development research program.

“Sec. 1473D. Supplemental and alternative crops.”; and

- (3) striking out the item relating to section 1477 and inserting in lieu thereof the following new item:

“Sec. 1477. Authorization for appropriations.”.

(b) The table of contents of the Agriculture and Food Act of 1981 (Public Law 97-98; 95 Stat. 1213) (as amended by section 1433) is amended by striking out the item relating to section 1446.

Subtitle B—Human Nutrition Research

FINDINGS

SEC. 1451. Congress finds that—

- (1) nutrition and health considerations are important to United States agricultural policy;
- (2) section 1405 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3121) designates the Department of Agriculture as the lead agency of the Federal Government for human nutrition research (except with respect

7 USC 3173
note.

Ante, p. 1544.

to the biomedical aspects of human nutrition concerned with diagnosis or treatment of disease);

(3) section 1423 of such Act (7 U.S.C. 3173) requires the Secretary of Agriculture to establish research into food and human nutrition as a separate and distinct mission of the Department of Agriculture;

(4) the Secretary has established a nutrition education program; and

(5) nutrition research continues to be of great importance to those involved in agricultural production.

HUMAN NUTRITION RESEARCH

7 USC 3173 note. SEC. 1452. (a) Not later than 1 year after the date of enactment of this Act, the Secretary of Agriculture (hereafter in this subtitle referred to as the "Secretary") shall submit to the appropriate committees of Congress a comprehensive plan for implementing a national food and human nutrition research program, including recommendations relating to research directions, educational activities, and funding levels necessary to carry out such plan.

Report. (b) Not later than 1 year after the date of the submission of the plan required under subsection (a), and each year thereafter, the Secretary shall submit to such committees an annual report on the human nutrition research activities conducted by the Secretary.

DIETARY ASSESSMENT AND STUDIES

7 USC 3173 note. SEC. 1453. (a) The Secretary of Agriculture and the Secretary of Health and Human Services shall jointly conduct an assessment of existing scientific literature and research relating to—

(1) the relationship between dietary cholesterol and blood cholesterol and human health and nutrition; and

(2) dietary calcium and its importance in human health and nutrition.

In conducting the assessments under this subsection, the Secretaries shall consult with agencies of the Federal Government involved in related research. On completion of such assessments, the Secretaries shall each recommend such further studies as the Secretaries consider useful.

Report. (b) Not later than 1 year after the date of enactment of this Act, the Secretary of Agriculture and the Secretary of Health and Human Services shall each submit to the House Committees on Agriculture and Energy and Commerce and the Senate Committees on Agriculture, Nutrition, and Forestry and Labor and Human Resources a report that shall include the results of the assessments conducted under subsection (a) and recommendations made under such subsection, for more complete studies of the issues examined under such subsection, including a protocol, feasibility assessment, budget estimates and a timetable for such research as each Secretary shall consider appropriate.

Subtitle C—Agricultural Productivity Research

DEFINITIONS

7 USC 4701. SEC. 1461. For purposes of this subtitle:

(1) The term "extension" shall have the same meaning given to such term by section 1404(7) of the National Agricultural

Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(7)).

(2) The term "Secretary" means the Secretary of Agriculture.

(3) The term "State" means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

(4) The term "State agricultural experiment stations" shall have the meaning given to such term by section 1404(13) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101(13)).

7 USC 3103.

FINDINGS

SEC. 1462. Congress finds that—

(1) highly productive and efficient agricultural systems and sound conservation practices are essential to ensure the long-term agricultural viability and profitability of farms and ranches in the United States;

Conservation.
7 USC 4702.

(2) agricultural research and technology transfer activities of the Secretary (including activities of the Extension Service, the Agricultural Research Service, and the Cooperative State Research Service), State cooperative extension services, land-grant and other colleges and universities, and State agricultural experiment stations—

Schools and colleges.

(A) have contributed greatly to innovation in agriculture; and

(B) have a continuing role to play in improving agricultural productivity;

(3) the annual irretrievable loss of billions of tons of precious topsoil through wind and water erosion reduces agricultural productivity;

(4) many farmers and ranchers are highly dependent on machines and energy resources for agricultural production;

(5) public funding of a properly planned and balanced agricultural research program is essential to improving efficiency in agricultural production and conservation practices; and

(6) expanded agricultural research and extension efforts are needed to assist farmers and ranchers to—

(A) improve agricultural productivity; and

(B) implement soil, water, and energy conservation practices.

Conservation.

PURPOSES

SEC. 1463. It is the purpose of this subtitle to—

7 USC 4703.

(1) facilitate and promote scientific investigation in order to—

(A) enhance agricultural productivity;

(B) maintain the productivity of land;

(C) reduce soil erosion and loss of water and plant nutrients; and

(D) conserve energy and natural resources; and

Conservation.

(2) facilitate the conduct of research projects in order to study agricultural production systems that—

(A) are located, to the extent practicable, in areas that possess various soil, climatic, and physical characteristics;

(B) have been, and will continue to be, managed using farm production practices that rely on—

- Conservation.
- (i) items purchased for the production of an agricultural commodity; and
 - (ii) a variety of conservation practices; and
- (C) are subjected to a change from the practices described in subparagraph (B)(i) to the practices described in subparagraph (B)(ii).

INFORMATION STUDY

Reports.
7 USC 4704.
Post, p. 1565.

SEC. 1464. (a) Subject to section 1468, the Secretary shall inventory and classify by subject matter all studies, reports, and other materials developed by any person or governmental agency with the participation or financial assistance of the Secretary, that could be used to promote the purposes of this subtitle.

- Reports.
- (b) In carrying out subsection (a), the Secretary shall—
- (1) identify, assess, and classify existing information and research reports that will further the purposes of this subtitle, including information and research relating to legume-crop rotation, the use of green manure, animal manures, and municipal wastes in agricultural production, soil acidity, liming in relation to nutrient release, intercropping, the role of organic matter in soil productivity and erosion control, the effect of topsoil loss on soil productivity, and biological methods of weed, disease, and insect control;
- Reports.
- (2) identify which of such reports provide useful information and make such useful reports available to farmers and ranchers; and
 - (3) identify gaps in such information and carry out a research program to fill such gaps.

RESEARCH PROJECTS

7 USC 4705.

SEC. 1465. (a) Subject to section 1468, in cooperation with Federal and State research agencies and agricultural producers, the Secretary shall conduct such research projects as are needed to obtain data, draw conclusions, and demonstrate technologies necessary to promote the purposes of this subtitle.

- Studies.
- (b) In carrying out subsection (a), the Secretary shall conduct projects and studies in areas that are broadly representative of United States agricultural production, including production on small farms.
 - (c) In carrying out subsection (a), the Secretary may conduct research projects involving crops, soils, production methods, and weed, insect, and disease pests on individual fields or other areas of land.
 - (d) In the case of a research project conducted under this section that involves the planting of a sequence of crops, the Secretary shall conduct such project for a term of—
 - (1) at least 5 years; and
 - (2) to the extent practicable, 12 to 15 years.
 - (e)(1) In coordination with the Extension Service and State cooperative extension services, the Secretary shall take such steps as are necessary to ensure that farmers and ranchers are aware of projects conducted under this section.
 - (2) The Secretary shall ensure that such projects are open for public observation at specified times.

(f)(1) Subject to paragraph (2), the Secretary may indemnify an operator of a project conducted under this section for damage incurred or undue losses sustained as a result of a rigid requirement of research or demonstration under such project that is not experienced in normal farming operations.

(2) An indemnity payment under paragraph (1) shall be subject to any agreement between a project grantee and operator entered into prior to the initiation of such project.

COORDINATION

SEC. 1466. The Secretary shall—

7 USC 4706.

(1) establish a panel of experts consisting of representatives of the Agricultural Research Service, Cooperative State Research Service, Soil Conservation Service, Extension Service, State cooperative extension services, State agricultural experiment stations, and other specialists in agricultural research and technology transfer; and

(2) ensure that a research project under this subtitle is designed after taking into consideration the views of such panel.

REPORTS

SEC. 1467. The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate—

7 USC 4707.

(1) not later than 180 days after the effective date of this subtitle, a report describing the design of research projects established in accordance with sections 1465 and 1466;

(2) not later than 15 months after the effective date of this subtitle, a report describing the results of the program carried out under section 1464; and

Ante, p. 1564;
supra.

(3) not later than April 1, 1987, and each April 1 thereafter, a report describing the progress of projects conducted under this subtitle, including—

Ante, p. 1564.

(A) a summary and analysis of data collected under such projects; and

(B) recommendations based on such data for new basic or applied research.

AGREEMENTS

SEC. 1468. The Secretary may carry out sections 1464 and 1465 through agreements with land-grant colleges or universities, other universities, State agricultural experiment stations, nonprofit organizations, or Federal or State governmental entities, that have demonstrated appropriate expertise in agricultural research and technology transfer.

Schools and colleges.
7 USC 4708.

DISSEMINATION OF DATA

SEC. 1469. The Secretary shall—

7 USC 4709.

(1) make available through the Extension Service and State cooperative extension services—

(A) the information and research reports identified under section 1464; and

Schools and colleges.

(B) the information and conclusions resulting from any research project conducted under section 1465; and

(2) otherwise take such steps as are necessary to ensure that such material is made available to the public.

AUTHORIZATION FOR APPROPRIATIONS

7 USC 4710. SEC. 1470. There are authorized to be appropriated such sums as may be necessary to carry out this subtitle, to remain available until expended.

EFFECTIVE DATE

7 USC 4701 note. SEC. 1471. This subtitle shall become effective on October 1, 1985.

TITLE XV—FOOD STAMP AND RELATED PROVISIONS

Subtitle A—Food Stamp Provisions

PUBLICLY OPERATED COMMUNITY MENTAL HEALTH CENTERS

SEC. 1501. (a) Section 3 of the Food Stamp Act of 1977 (7 U.S.C. 2012) is amended by—

(1) in subsection (f), striking out “which” and all that follows through “providing” and inserting in lieu thereof “, or a publicly operated community mental health center, under part B of title XIX of the Public Health Service Act (42 U.S.C. 300x et seq.) to provide”; and

(2) inserting “, or a publicly operated community mental health center,” after “private nonprofit institution” in the last sentence of subsection (i).

(b) Section 10 of such Act (7 U.S.C. 2019) is amended by inserting “publicly operated community mental health centers or” after “purchased, and”.

DETERMINATION OF FOOD SALES VOLUME

SEC. 1502. Section 3(k) of the Food Stamp Act of 1977 (7 U.S.C. 2012(k)) is amended by inserting after “food sales volume” in clause (1) the following: “, as determined by visual inspection, sales records, purchase records, or other inventory or accounting recordkeeping methods that are customary or reasonable in the retail food industry,”.

THRIFTY FOOD PLAN

SEC. 1503. The first sentence of section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended by striking out “fifty-four” and inserting in lieu thereof “fifty”.

DEFINITIONS OF THE DISABLED

SEC. 1504. Section 3(r) of the Food Stamp Act of 1977 (7 U.S.C. 2012(r)) is amended by—

(1) inserting before the semicolon at the end of paragraph (2) the following: “, federally or State administered supplemental benefits of the type described in section 1616(a) of the Social Security Act if the Secretary determines that such benefits are conditioned on meeting the disability or blindness criteria used under title XVI of the Social Security Act, or federally or State administered supplemental benefits of the type described in section 212(a) of Public Law 93-66 (42 U.S.C. 1382 note);”;

42 USC 1382e.

42 USC 1381.

(2) inserting before the semicolon at the end of paragraph (3) the following: “or receives disability retirement benefits from a governmental agency because of a disability considered permanent under section 221(i) of the Social Security Act (42 U.S.C. 421(i))”;

(3) inserting “or non-service-connected” after “service-connected” in paragraph (4)(A);

(4) striking out “or” at the end of paragraph (5);

(5) striking out the period at the end of paragraph (6) and inserting in lieu thereof “; or”; and

(6) adding at the end thereof the following:

“(7) is an individual receiving an annuity under section 2(a)(1)(iv) or 2(a)(1)(v) of the Railroad Retirement Act of 1974 (45 U.S.C. 231a(a)(1)(iv) or 231a(a)(1)(v)), if the individual’s service as an employee under the Railroad Retirement Act of 1974, after December 31, 1936, had been included in the term ‘employment’ as defined in the Social Security Act, and if an application for disability benefits had been filed.”.

42 USC 1305.

STATE AND LOCAL SALES TAXES

SEC. 1505. (a) Section 4(a) of the Food Stamp Act of 1977 (7 U.S.C. 2013(a)) is amended by inserting before the period at the end of the first sentence the following: “, except that a State may not participate in the food stamp program if the Secretary determines that State or local sales taxes are collected within that State on purchases of food made with coupons issued under this Act”.

(b)(1) Except as provided in paragraph (2), the amendment made by subsection (a) shall take effect with respect to a State beginning on the first day of the fiscal year that commences in the calendar year during which the first regular session of the legislature of such State is convened following the date of enactment of this Act.

(2) Upon a showing by a State, to the satisfaction of the Secretary, that the application of paragraph (1), without regard to this paragraph, would have an adverse and disruptive effect on the administration of the food stamp program in such State or would provide inadequate time for retail stores to implement changes in sales tax policy required as a result of the amendment made by subsection (a), the Secretary may delay the effective date of subsection (a) with respect to such State to a date not later than October 1, 1987.

Effective date.
7 USC 2013 note.

RELATION OF FOOD STAMP AND COMMODITY DISTRIBUTION PROGRAMS

SEC. 1506. Section 4(b) of the Food Stamp Act of 1977 (7 U.S.C. 2013(b)) is amended by—

(1) striking out the first sentence; and

(2) striking out “also” in the second sentence.

CATEGORICAL ELIGIBILITY

SEC. 1507. (a)(1) Section 5(a) of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended by inserting after the first sentence the following: “Notwithstanding any other provisions of this Act except sections 6(b), 6(d)(2), and 6(g) and the third sentence of section 3(i), and during the period beginning on the date of the enactment of the Food Security Act of 1985 and ending on September 30, 1989, households in which each member receives benefits under a State plan approved under part A of title IV of the Social Security Act,

Blind persons.
Disabled
persons.

Post, pp. 1572,
1573;
ante, p. 1566.

42 USC 601.

42 USC 1381.
42 USC 301,
1201, 1351.
Prohibition.
7 USC 2014 note.

supplemental security income benefits under title XVI of the Social Security Act, or aid to the aged, blind, or disabled under title I, X, XIV, or XVI of the Social Security Act, shall be eligible to participate in the food stamp program.”

(2) During the period beginning on the date of the enactment of this Act and ending on September 30, 1989, section 5(j) of the Food Stamp Act of 1977 (7 U.S.C. 2014(j)) shall not apply.

Prohibition.

(b) Section 11(i) of the Food Stamp Act of 1977 (7 U.S.C. 2020(i)) is amended by adding at the end thereof the following: “No household shall have its application to participate in the food stamp program denied nor its benefits under the food stamp program terminated solely on the basis that its application to participate has been denied or its benefits have been terminated under any of the programs carried out under the statutes specified in the second sentence of section 5(a) and without a separate determination by the State agency that the household fails to satisfy the eligibility requirements for participation in the food stamp program.”

Ante, p. 1567.

7 USC 2014 note.

(c) Not later than 2 years after the date of the enactment of this Act, the Secretary shall—

(1) evaluate the implementation of the second sentence of section 5(a) of the Food Stamp Act of 1977, as amended by subsection (a) of this section; and

Report.

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

THIRD PARTY PAYMENTS

Post, p. 1569.

SEC. 1508. Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended by—

(1) inserting “except as provided in subsection (k),” after “household,” in subsection (d)(1); and

State and local governments.

(2) adding at the end thereof the following new subsection: “(k)(1) For purposes of subsection (d)(1), except as provided in paragraph (2), assistance provided to a third party on behalf of a household by a State or local government shall be considered money payable directly to the household if the assistance is provided in lieu of—

“(A) a regular benefit payable to the household for living expenses under a State plan for aid to families with dependent children approved under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

“(B) a benefit payable to the household for living expenses under—

“(i) a State or local general assistance program; or

“(ii) another basic assistance program comparable to general assistance (as determined by the Secretary).

Prohibition.

“(2) Paragraph (1) shall not apply to—

“(A) medical assistance;

“(B) child care assistance;

“(C) energy assistance;

“(D) assistance provided by a State or local housing authority;

or

Regulations.

“(E) emergency and special assistance, to the extent excluded in regulations prescribed by the Secretary.”

EXCLUDED INCOME

SEC. 1509. (a) Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)), as amended by section 1508, is amended by—

Ante, p. 1568;
infra.

(1) inserting “and except as provided in subsection (k),” after the comma at the end of clause (1);

(2) in clause (3)—

(A) striking out “higher education” and inserting in lieu thereof “post-secondary education”; and

(B) adding at the end thereof “and to the extent loans include any origination fees and insurance premiums,”;

Loans.

(3) inserting “no portion of any non-Federal educational loan on which payment is deferred, grant, scholarship, fellowship, veterans’ benefits, and the like that are provided for living expenses, and no portion of any Federal educational loan on which payment is deferred, grant, scholarship, fellowship, veterans’ benefits, and the like to the extent it provides income assistance beyond that used for tuition and mandatory school fees,” in the proviso to clause (5) after “child care expenses,”;

Prohibition.
Loans.
Grants.

(4) inserting “, but household income that otherwise is included under this subsection shall be reduced by the extent that the cost of producing self-employment income exceeds the income derived from self-employment as a farmer” before the comma in clause (9);

(5) inserting “except as otherwise provided in subsection (k) of this section” after “food stamp program” in clause (10).

(b) Section 5(k) of such Act, as added by section 1508, is amended by adding at the end thereof the following new paragraph:

“(3) For purposes of subsection (d)(1), educational loans on which payment is deferred, grants, scholarships, fellowships, veterans’ educational benefits, and the like that are provided to a third party on behalf of a household for living expenses shall be treated as money payable directly to the household.”

Loans.
Grants.

(c) Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014), as amended by section 1508, is amended by adding at the end thereof the following new subsection:

“(1) Notwithstanding section 142(b) of the Job Training Partnership Act (29 U.S.C. 1552(b)), earnings to individuals participating in on-the-job training programs under section 204(5) of the Job Training Partnership Act shall be considered earned income for purposes of the food stamp program, except for dependents less than 19 years of age.”

29 USC 1604.

CHILD SUPPORT PAYMENTS

SEC. 1510. Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014), as amended by sections 1508 and 1509—

(1) in subsection (d) by—

(A) striking out “and” at the end of clause (11); and

(B) inserting before the period at the end thereof the following: “, and (13) at the option of a State agency and subject to subsection (m), child support payments that are excluded under section 402(a)(8)(A)(vi) of the Social Security Act (42 U.S.C. 602(a)(8)(A)(vi))”; and

98 Stat. 1146.

(2) adding at the end thereof the following new subsection:

“(m) If a State agency excludes payments from income for purposes of the food stamp program under subsection (d)(13), such State agency shall pay to the Federal Government, in a manner pre-

scribed by the Secretary, the cost of any additional benefits provided to households in such State that arise under such program as the result of such exclusion.”.

DEDUCTIONS FROM INCOME

SEC. 1511. Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by—

Effective date.

Effective date.

Prohibitions.

District of

Columbia.

Alaska.

Hawaii.

Guam.

Virgin Islands.

(1) in the second sentence, striking out “homeownership component” and inserting in lieu thereof “homeowners’ costs and maintenance and repair component”;

(2) effective May 1, 1986, in the third sentence, striking out “18” and inserting in lieu thereof “20”;

(3) effective May 1, 1986, amending the fourth sentence by—

(A) amending the proviso to clause (2) to read as follows: “: *Provided*, That the amount of such excess shelter expense deduction shall not exceed \$147 a month in the forty-eight contiguous States and the District of Columbia, and shall not exceed, in Alaska, Hawaii, Guam, and the Virgin Islands of the United States, \$256, \$210, \$179, and \$109 a month, respectively, adjusted on October 1, 1986, and on each October 1 thereafter, to the nearest lower dollar increment to reflect changes in the shelter (exclusive of homeowners’ costs and maintenance and repair component of shelter costs), fuel, and utilities components of housing costs in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics, as appropriately adjusted by the Bureau of Labor Statistics after consultation with the Secretary, for the twelve months ending the preceding June 30,”;

(B) in clause (1), striking out “the same as” and all that follows through “clause (2) of this subsection”, and inserting in lieu thereof “\$160 a month”;

(C) striking out “, or (2)” and inserting in lieu thereof “and (2)”; and

(D) striking out “, or (3)” and all that follows down to the period at the end thereof; and

(4) after the seventh sentence, inserting the following: “If a State agency elects to use a standard utility allowance that reflects heating or cooling costs, it shall be made available to households receiving a payment, or on behalf of which a payment is made, under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) or other similar energy assistance program, provided that the household still incurs out-of-pocket heating or cooling expenses. A State agency may use a separate standard utility allowance for households on behalf of which such payment is made, but may not be required to do so. A State agency not electing to use a separate allowance, and making a single standard utility allowance available to households incurring heating or cooling expenses (other than households described in the sixth sentence of this subsection) may not be required to reduce such allowance due to the provision (direct or indirect) of assistance under the Low-Income Home Energy Assistance Act of 1981. For purposes of the food stamp program, assistance provided under the Low-Income Home Energy Assistance Act of 1981 shall be considered to be prorated over the entire heating or cooling season for which it

was provided. A State agency shall allow a household to switch between any standard utility allowance and a deduction based on its actual utility costs at the end of any certification period and up to one additional time during each twelve-month period.”.

INCOME FROM SELF-EMPLOYMENT

SEC. 1512. Section 5(f)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)(A)) is amended by adding at the end thereof the following: “Notwithstanding the preceding sentence, if the averaged amount does not accurately reflect the household’s actual monthly circumstances because the household has experienced a substantial increase or decrease in business earnings, the State agency shall calculate the self-employment income based on anticipated earnings.”.

RETROSPECTIVE BUDGETING AND MONTHLY REPORTING SIMPLIFICATION

SEC. 1513. (a) Section 5(f)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(2)) is amended by—

(1) amending subparagraph (A) to read as follows:

“(A) Household income for—

“(i) migrant farmworker households, and

“(ii) households—

“(I) that have no earned income, and

“(II) in which all adult members are elderly or disabled members,

shall be calculated on a prospective basis, as provided in paragraph (3)(A).”;

(2) in subparagraph (B)—

(A) striking out “(i)”;

(B) inserting “the first sentence of” after “under” the first place it appears; and

(C) striking out “(ii)” and all that follows through “this Act,”; and

(3) striking out subparagraph (C) and inserting in lieu thereof the following:

“(C) Except as provided in subparagraphs (A) and (B), household income for households that have earned income and for households that include any member who has recent work history shall be calculated on a retrospective basis as provided in paragraph (3)(B).

“(D) Household income for all other households may be calculated, at the option of the State agency, on a prospective basis as provided in paragraph (3)(A) or on a retrospective basis as provided in paragraph (3)(B).”.

(b) Section 6(c)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)(1)) is amended by—

(1) amending the first sentence to read as follows: “State agencies shall require households with respect to which household income is determined on a retrospective basis under section 5(f)(2)(C) of this Act to file periodic reports of household circumstances in accordance with standards prescribed by the Secretary, except that a State agency may, with the prior approval of the Secretary, select categories of households (including all such households) that may report at specified less frequent intervals on a showing by the State agency, which is satisfactory to the Secretary, that to require households in such

Supra.

categories to report monthly would result in unwarranted expenditures for administration of this subsection.”; and

Ante, p. 1571.

(2) inserting after the second sentence the following: “State agencies may require households, other than households with respect to which household income is required by section 5(f)(2)(A) to be calculated on a prospective basis, to file periodic reports of household circumstances in accordance with the standards prescribed by the Secretary under the preceding provisions of this paragraph.”.

RESOURCES LIMITATION

SEC. 1514. Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by—

Effective date.

(1) effective May 1, 1986, in the first sentence, striking out “\$1,500, or, in the case of a household consisting of two or more persons, one of whom is age 60 or over, if its resources exceed \$3,000” and inserting in lieu thereof “\$2,000, or, in the case of a household which consists of or includes a member who is 60 years of age or older, if its resources exceed \$3,000”;

(2) in the second sentence—

Real property.

(A) inserting “and inaccessible resources” after “relating to licensed vehicles”; and

(B) after “physically disabled household member” inserting “and any other property, real or personal, to the extent that it is directly related to the maintenance or use of such vehicle”; and

(3) adding at the end thereof the following: “The Secretary shall exclude from financial resources the value of a burial plot for each member of a household.”.

DISASTER TASK FORCE

SEC. 1515. Section 5(h)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(h)(2)) is amended to read as follows:

“(2) The Secretary shall—

“(A) establish a Food Stamp Disaster Task Force to assist States in implementing and operating the disaster program and the regular food stamp program in the disaster area; and

“(B) if the Secretary, in the Secretary’s discretion, determines that it is cost-effective to send members of the Task Force to the disaster area, the Secretary shall send them to such area as soon as possible after the disaster occurs to provide direct assistance to State and local officials.”.

ELIGIBILITY DISQUALIFICATIONS

Ante, p. 1571.

SEC. 1516. Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by—

Prohibition.

(1) in the first sentence of subsection (d)(1)—

(A) striking out “no household shall be eligible for assistance under this Act if it includes a” and inserting in lieu thereof “(A) no person shall be eligible to participate in the food stamp program who is”;

(B) by striking out “eighteen” in the matter preceding clause (i) of the first sentence and inserting in lieu thereof “sixteen”;

(C) striking out all that follows “(iii)” through “days; or (iv)”;

(D) inserting before the period at the end thereof the following: “; and (B) no household shall be eligible to participate in the food stamp program (i) if the head of the household is a physically and mentally fit person between the ages of sixteen and sixty and such individual refuses to do any of those acts described in clause (A) of this sentence, or (ii) if the head of the household voluntarily quits any job without good cause, but, in such case, the period of ineligibility shall be ninety days”;

Prohibition.

(2) adding at the end of subsection (d)(1) the following: “Any period of ineligibility for violations under this paragraph shall end when the household member who committed the violation complies with the requirement that has been violated. If the household member who committed the violation leaves the household during the period of ineligibility, such household shall no longer be subject to sanction for such violation and, if it is otherwise eligible, may resume participation in the food stamp program, but any other household of which such person thereafter becomes the head of the household shall be ineligible for the balance of the period of ineligibility.”;

(3) in subsection (d)(2) by—

(A) striking out “or” at end of clause (D);

(B) inserting before the period at the end thereof the following: “; or (F) a person between the ages of sixteen and eighteen who is not a head of a household or who is attending school, or enrolled in an employment training program, on at least a half-time basis”;

(4) inserting at the end of clause (2) of subsection (e) the following: “or is an individual who is not assigned to or placed in an institution of higher learning through a program under the Job Training Partnership Act,”; and

(5) in clause (2) of subsection (f)—

(A) striking out “section 203(a)(7)” and “(8 U.S.C. 1153(a)(7))” in subclause (D) and inserting in lieu thereof “sections 207 and 208” and “(8 U.S.C. 1157 and 1158)”, respectively;

(B) striking out “because of persecution” and all that follows through “natural calamity” in subclause (D);

(C) striking out “because of the judgment of the Attorney General” and all that follows in subclause (F) through “political opinion”.

29 USC 1501
note.

EMPLOYMENT AND TRAINING PROGRAM

Sec. 1517. (a) Section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)) is amended by—

(1) amending clause (A)(ii) of paragraph (1) to read as follows:

“(ii) refuses without good cause to participate in an employment and training program under paragraph (4), to the extent required under paragraph (4), including any reasonable employment requirements as are prescribed by the State agency in accordance with paragraph (4), and the period of ineligibility shall be two months;”;

(2) adding at the end thereof the following:

“(4)(A) Not later than April 1, 1987, each State agency shall implement an employment and training program designed by the State agency and approved by the Secretary for the purpose of assisting members of households participating in the food stamp program in gaining skills, training, or experience that will increase their ability to obtain regular employment.

“(B) For purposes of this Act, an ‘employment and training program’ means a program that contains one or more of the following components:

“(i) Job search programs with terms and conditions comparable to those prescribed in subparagraphs (A) and (B) of section 402(a)(35) of part A of title IV of the Social Security Act, except that the State agency shall have no obligation to incur costs exceeding \$25 per participant per month, as provided in subparagraph (B)(vi), and the State agency shall retain the option to apply employment requirements prescribed under this clause to program applicants at the time of application.

“(ii) Job search training programs that include, to the extent determined appropriate by the State agency, reasonable job search training and support activities that may consist of jobs skills assessments, job finding clubs, training in techniques for employability, job placement services, or other direct training or support activities, including educational programs, determined by the State agency to expand the job search abilities or employability of those subject to the program.

“(iii) Workfare programs operated under section 20.

“(iv) Programs designed to improve the employability of household members through actual work experience or training, or both, and to enable individuals employed or trained under such programs to move promptly into regular public or private employment. An employment or training experience program established under this clause shall—

“(I) limit employment experience assignments to projects that serve a useful public purpose in fields such as health, social services, environmental protection, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety, and day care;

“(II) to the extent possible, use the prior training, experience, and skills of the participating member in making appropriate employment or training experience assignments;

“(III) not provide any work that has the effect of replacing the employment of an individual not participating in the employment or training experience program; and

“(IV) provide the same benefits and working conditions that are provided at the job site to employees performing comparable work for comparable hours.

“(v) As approved by the Secretary, other programs, projects, and experiments, such as a supported work program, aimed at accomplishing the purpose of the employment and training program.

“(C) The State agency may provide that participation in an employment and training program may supplement or supplant other employment-related requirements imposed on those subject to the program.

“(D)(i) Each State agency may exempt from any requirement for participation in any program under this paragraph categories of

Prohibition.
42 USC 602.

Workfare.
7 USC 2029.

Environmental
protection.
Safety.

household members to which the application of such participation requirement is impracticable as applied to such categories due to factors such as the availability of work opportunities and the cost-effectiveness of the employment requirements. In making such a determination, the State agency may designate a category consisting of all such household members residing in a specific area of the State. Each State may exempt, with the approval of the Secretary, members of households that have participated in the food stamp program 30 days or less.

“(ii) Each State agency may exempt from any requirement for participation individual household members not included in any category designated as exempt under clause (i) but with respect to whom such participation is impracticable because of personal circumstances such as lack of job readiness and employability, the remote location of work opportunities, and unavailability of child care.

“(iii) Any exemption of a category or individual under this subparagraph shall be periodically evaluated to determine whether, on the basis of the factors used to make a determination under clauses (i) or (ii), the exemption continues to be valid. Such evaluations shall occur no less often than at each certification or recertification in the case of exemptions under clause (ii).

“(E) Each State agency shall establish requirements for participation by individuals not exempt under subparagraph (D) in one or more employment and training programs under this paragraph, including the extent to which any individual is required to participate. Such requirements may vary among participants.

“(F)(i) The total hours of work in an employment and training program carried out under this paragraph required of members of a household, together with the hours of work of such members in any program carried out under section 20, in any month collectively may not exceed a number of hours equal to the household's allotment for such month divided by the higher of the applicable State minimum wage or Federal minimum hourly rate under the Fair Labor Standards Act of 1938.

Prohibition.

7 USC 2029.

29 USC 201.

Prohibition.

“(ii) The total hours of participation in such program required of any member of a household, individually, in any month, together with any hours worked in another program carried out under section 20 and any hours worked for compensation (in cash or in kind) in any other capacity, shall not exceed one hundred and twenty hours per month.

“(G)(i) The State agency may operate any program component under this paragraph in which individuals elect to participate.

“(ii) The State agency shall permit, to the extent it determines practicable, individuals not subject to requirements imposed under subparagraph (E) or who have complied, or are in the process of complying, with such requirements to participate in any program under this paragraph.

“(H) The State agency shall reimburse participants in programs carried out under this paragraph, including those participating under subparagraph (G), for the actual costs of transportation, and other actual costs, that are reasonably necessary and directly related to participation in the program, except that the State agency may limit such reimbursement to each participant to \$25 per month.

Transportation.

“(I) The Secretary shall promulgate guidelines that (i) enable State agencies, to the maximum extent practicable, to design and operate an employment and training program that is compatible

Indians.

and consistent with similar programs operated within the State, and (ii) ensure, to the maximum extent practicable, that employment and training programs are provided for Indians on reservations.

“(J)(i) For any fiscal year, the Secretary shall establish performance standards for each State that, in the case of persons who are subject to employment requirements under this section and who are not exempt under subparagraph (D), designate the minimum percentages (not to exceed 50 percent through September 30, 1989) of such persons that State agencies shall place in programs under this paragraph. Such standards need not be uniform for all the States, but may vary among the several States. The Secretary shall consider the cost to the States in setting performance standards and the degree of participation in programs under this paragraph by exempt persons.

“(ii) In making any determination as to whether a State agency has met a performance standard under clause (i), the Secretary shall—

“(I) consider the extent to which persons have elected to participate in programs under this paragraph;

“(II) consider such factors as placement in unsubsidized employment, increases in earnings, and reduction in the number of persons participating in the food stamp program; and

“(III) consider other factors determined by the Secretary to be related to employment and training.

“(iii) The Secretary shall vary the performance standards established under clause (i) according to differences in the characteristics of persons required to participate and the type of program to which the standard is applied.

“(iv) The Secretary may delay establishing performance standards for up to 18 months after national implementation of the provisions of this paragraph, in order to base performance standards on State agency experience in implementing this paragraph.

7 USC 2020 note.

“(K)(i) The Secretary shall ensure that State agencies comply with the requirements of this paragraph and section 11(e)(22).

7 USC 2025.

“(ii) If the Secretary determines that a State agency has failed, without good cause, to comply with such a requirement, including any failure to meet a performance standard under subparagraph (J), the Secretary may withhold from such State, in accordance with section 16 (a), (c), and (h), such funds as the Secretary determines to be appropriate, subject to administrative and judicial review under section 14.

7 USC 2023.

“(L) The facilities of the State public employment offices and agencies operating programs under the Job Training Partnership Act may be used to find employment and training opportunities for household members under the programs under this paragraph.”.

29 USC 1501 note.

(b) Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended by—

(1) striking out “and” at the end of paragraph (20);

(2) striking out the period at the end of paragraph (21) and inserting in lieu thereof “; and”; and

(3) adding at the end thereof the following:

“(22) the plans of the State agency for carrying out employment and training programs under section 6(d)(4), including the nature and extent of such programs, the geographic areas and households to be covered under such program, and the basis, including any cost information, for exemptions of categories and

Ante, pp. 1572, 1573.

individuals and for the choice of employment and training program components reflected in the plans.”.

(c) Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by adding at the end thereof the following:

“(h)(1) The Secretary shall allocate among the State agencies in each fiscal year, from funds appropriated for such fiscal year under section 18(a)(1), the amount of \$40,000,000 for the fiscal year ending September 30, 1986, \$50,000,000 for the fiscal year ending September 30, 1987, \$60,000,000 for the fiscal year ending September 30, 1988, and \$75,000,000 for each of the fiscal years ending September 30, 1989 and September 30, 1990, to carry out the employment and training program under section 6(d)(4), except as provided in paragraph (3), during such fiscal year.

Ante, pp. 1572, 1573.

“(2) If, in carrying out such program during such fiscal year, a State agency incurs costs that exceed the amount allocated to the State agency under paragraph (1), the Secretary shall pay such State agency an amount equal to 50 per centum of such additional costs, subject to the first limitation in paragraph (3).

“(3) The Secretary shall also reimburse each State agency in an amount equal to 50 per centum of the total amount of payments made or costs incurred by the State agency in connection with transportation costs and other expenses reasonably necessary and directly related to participation in an employment and training program under section 6(d)(4), except that such total amount shall not exceed an amount representing \$25 per participant per month and such reimbursement shall not be made out of funds allocated under paragraph (1).

Transportation.
Prohibition.

“(4) Funds provided to a State agency under this subsection may be used only for operating an employment and training program under section 6(d)(4), and may not be used for carrying out other provisions of the Act.

Prohibition.

“(5)(A) The Secretary shall monitor the employment and training programs carried out by State agencies under section 6(d)(4) to measure their effectiveness in terms of the increase in the numbers of household members who obtain employment and the numbers of such members who retain such employment as a result of their participation in such employment and training programs.

“(B) The Secretary shall, not later than January 1, 1989, report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the effectiveness of such employment and training programs.”.

(d) Subsection (b) of section 20 of such Act (7 U.S.C. 2029(b)) is amended to read as follows:

“(b)(1) A household member shall be exempt from workfare requirements imposed under this section if such member is—

Workfare.

“(A) exempt from section 6(d)(1) as the result of clause (B), (C), (D), (E), or (F) of section 6(d)(2);

“(B) at the option of the operating agency, subject to and currently actively and satisfactorily participating at least 20 hours a week in a work training program required under title IV of the Social Security Act (42 U.S.C. 601 et seq.);

“(C) mentally or physically unfit;

“(D) under sixteen years of age;

“(E) sixty years of age or older; or

“(F) a parent or other caretaker of a child in a household in which another member is subject to the requirements of this section or is employed fulltime.

“(2)(A) Subject to subparagraphs (B) and (C), in the case of a household that is exempt from work requirements imposed under this Act as the result of participation in a community work experience program established under section 409 of the Social Security Act (42 U.S.C. 609), the maximum number of hours in a month for which all members of such household may be required to participate in such program shall equal the result obtained by dividing—

42 USC 601.

“(i) the amount of assistance paid to such household for such month under title IV of such Act, together with the value of the food stamp allotment of such household for such month; by

Prohibition.

“(ii) the higher of the Federal or State minimum wage in effect for such month.

“(B) In no event may any such member be required to participate in such program more than 120 hours per month.

“(C) For the purpose of subparagraph (A)(i), the value of the food stamp allotment of a household for a month shall be determined in accordance with regulations governing the issuance of an allotment to a household that contains more members than the number of members in an assistance unit established under title IV of such Act.”.

STAGGERING OF COUPON ISSUANCE

SEC. 1518. Section 7 of the Food Stamp Act of 1977 (7 U.S.C. 2016) is amended by adding at the end thereof the following:

“(h)(1) The State agency may implement a procedure for staggering the issuance of coupons to eligible households throughout the entire month: *Provided*, That the procedure ensures that, in the transition period from other issuance procedures, no eligible household experiences an interval between coupon issuances of more than 40 days, either through regular issuances by the State agency or through supplemental issuances.

“(2) For any eligible household that applies for participation in the food stamp program during the last fifteen days of a month and is issued benefits within that period, coupons shall be issued for the first full month of participation by the the eighth day of the first full month of participation.”.

ALTERNATIVE MEANS OF COUPON ISSUANCE

SEC. 1519. Section 7(g)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2016(g)(1)) is amended by striking out “may” in the matter preceding clause (A) and inserting in lieu thereof “shall”.

SIMPLIFIED APPLICATIONS AND STANDARDIZED BENEFITS

SEC. 1520. Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end thereof the following new subsection:

“(e)(1) The Secretary may permit not more than five statewide projects (upon the request of a State) and not more than five projects in political subdivisions of States (upon the request of a State or political subdivision) to operate a program under which a household shall be considered to have satisfied the application requirements prescribed under section 5(a) and the income and resource require-

Ante, p. 1567.

ments prescribed under subsections (d) through (g) of section 5 if such household— *Ante*, pp. 1569-1572.

“(A) includes one or more members who are recipients of—

“(i) aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

“(ii) supplemental security income under title XVI of such Act (42 U.S.C. 1381 et seq.); or

“(iii) medical assistance under title XIX of such Act (42 U.S.C. 1396 et seq.); and

“(B) has an income that does not exceed the applicable income standard of eligibility described in section 5(c).

“(2) Except as provided in paragraph (3), a State or political subdivision that elects to operate a program under this subsection shall base the value of an allotment provided to a household under subsection (a) on—

“(A)(i) the size of the household; and

“(ii)(I) benefits paid to such household under a State plan for aid to families with dependent children approved under part A of title IV of the Social Security Act; or

“(II) the income standard of eligibility for medical assistance under title XIX of such Act; or

“(B) at the option of the State or political subdivision, the standard of need for such size household under the programs referred to in clause (A)(ii).

“(3) The Secretary shall adjust the value of allotments received by households under a program operated under this subsection to ensure that the average allotment by household size for households participating in such program and receiving such aid to families with dependent children, such supplemental security income, or such medical assistance, as the case may be, is not less than the average allotment that would have been provided under this Act but for the operation of this subsection, for each category of households, respectively, in a State or political subdivision, for any period during which such program is in operation.

“(4) The Secretary shall evaluate the impact of programs operated under this subsection on recipient households, administrative costs, and error rates.

“(5) The administrative costs of such programs shall be shared in accordance with section 16.

Ante, p. 1577.

“(6) In implementing this section, the Secretary shall consult with the Secretary of Health and Human Services to ensure that to the extent practicable, in the case of households participating in such programs, the processing of applications for, and determinations of eligibility to receive, food stamp benefits are simplified and are unified with the processing of applications for, and determinations of eligibility to receive, benefits under such titles of the Social Security Act (42 U.S.C. 601 et seq.).”

DISCLOSURE OF INFORMATION SUBMITTED BY RETAIL STORES

SEC. 1521. Section 9(c) of the Food Stamp Act of 1977 (7 U.S.C. 2018(c)) is amended by inserting before the period at the end of the second sentence the following: “, except that such information may be disclosed to and used by State agencies that administer the special supplemental food program for women, infants and children, authorized under section 17 of the Child Nutrition Act of 1966, for

Women.
Children.
Regulations.

42 USC 1786.

purposes of administering the provisions of that Act and the regulations issued under that Act”.

CREDIT UNIONS

Ante, p. 1566. SEC. 1522. Section 10 of the Food Stamp Act of 1977 (7 U.S.C. 2019), as amended by section 1501, is amended by—

12 USC 1751. (1) inserting “, or which are insured under the Federal Credit Union Act and have retail food stores or wholesale food concerns in their field of membership” after “Federal Savings and Loan Insurance Corporation” the first place it appears; and
(2) inserting “or the Federal Credit Union Act” after “Federal Savings and Loan Insurance Corporation” the second place it appears.

CHARGES FOR REDEMPTION OF COUPONS

Prohibition.
Ante, p. 1566;
supra. SEC. 1523. (a) Section 10 of the Food Stamp Act of 1977 (7 U.S.C. 2019), as amended by sections 1501 and 1522, is amended by adding at the end thereof the following: “No financial institution may impose on or collect from a retail food store a fee or other charge for the redemption of coupons that are submitted to the financial institution in a manner consistent with the requirements, other than any requirements relating to cancellation of coupons, for the presentation of coupons by financial institutions to the Federal Reserve banks.”.

Regulations. (b) The Secretary of Agriculture, in consultation with the Board of Governors of the Federal Reserve System, shall issue regulations implementing the amendment made by subsection (a).

HOURS OF OPERATION

Ante, p. 1577. SEC. 1524. Section 16(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(b)(1)) is amended by inserting “, including standards for the periodic review of the hours that food stamp offices are open during the day, week, or month to ensure that employed individuals are adequately served by the food stamp program,” after “States”.

CERTIFICATION OF INFORMATION

Ante, p. 1566;
infra. SEC. 1525. Section 11(e)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(2)) is further amended by adding at the end thereof the following: “One adult member of a household that is applying for a coupon allotment shall be required to certify in writing, under penalty of perjury, the truth of the information contained in the application for the allotment;”.

FRAUD DETECTION

Supra. SEC. 1526. Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)), as amended by sections 1517 and 1525, is further amended by adding at the end thereof the following new paragraph:

“(23) in a project area in which 5,000 or more households participate in the food stamp program, for the establishment and operation of a unit for the detection of fraud in the food stamp program, including the investigation, and assistance in the prosecution, of such fraud; and”.

VERIFICATION

SEC. 1527. Section 11(e)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(3)) is amended by—

- (1) striking out “only” after “verification”;
- (2) inserting “, household size (in any case such size is questionable),” after “Act”;
- (3) striking out “any factors” and all that follows through “by the Secretary” and inserting in lieu thereof “such other eligibility factors as the State agency determines are necessary”.

Ante, pp. 1566, 1580.

PHOTOGRAPHIC IDENTIFICATION CARDS

SEC. 1528. Section 11(e)(16) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(16)) is amended by—

- (1) striking out “last sentence” and inserting in lieu thereof “fourth sentence”;
- (2) inserting “and would be cost effective” after “integrity”;
- (3) striking out the semicolon at the end thereof and inserting in lieu thereof a period; and
- (4) adding at the end thereof the following: “The State agency may permit a member of a household to comply with this paragraph by presenting a photographic identification card used to receive assistance under a welfare or public assistance program;”.

ELIGIBILITY OF THE HOMELESS

SEC. 1529. Section 11(e)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(2)), as amended by section 1525, is amended by—

- (1) striking out the semicolon at the end thereof and inserting in lieu thereof a period; and
- (2) adding at the end thereof the following: “The State agency shall provide a method of certifying and issuing coupons to eligible households that do not reside in permanent dwellings or who do not have fixed mailing addresses. In carrying out the preceding sentence, the State agency shall take such steps as are necessary to ensure that participation in the food stamp program is limited to eligible households.”.

EXPANDED FOOD AND NUTRITION EDUCATION PROGRAM

SEC. 1530. Section 11(f) of the Food Stamp Act of 1977 (7 U.S.C. 2020(f)) is amended by adding at the end thereof the following: “State agencies shall encourage food stamp program participants to participate in the expanded food and nutrition education program conducted under section 3(d) of the Act of May 8, 1914 (7 U.S.C. 343(d)), commonly known as the Smith-Lever Act and any program established under sections 1584 through 1588 of the Food Security Act of 1985. At the request of personnel of such education program, State agencies, wherever practicable, shall allow personnel and information materials of such education program to be placed in food stamp offices.”.

Ante, p. 1557.

Post, pp. 1596, 1597.

FOOD STAMP PROGRAM INFORMATION AND SIMPLIFIED APPLICATION AT
SOCIAL SECURITY ADMINISTRATION OFFICES

- Effective date. SEC. 1531. (a) Effective October 1, 1986, clause (2) of the first sentence of section 11(i) of the Food Stamp Act of 1977 (7 U.S.C. 2020(i)), as amended by section 1531, is amended by—
- Ante*, p. 1568. (1) inserting “applicants for or” after “members are”;
- (2) striking out “permitted” and all that follows through “office”, and inserting in lieu thereof “informed of the availability of benefits under the food stamp program and be assisted in making a simple application to participate in such program at the social security office”.
- Effective date. (b) Effective October 1, 1986, section 11(j) of the Food Stamp Act of 1977 (7 U.S.C. 2020(j)) is amended to read as follows:
- Regulations. “(j)(1) Any individual who is an applicant for or recipient of social security benefits (under regulations prescribed by the Secretary in conjunction with the Secretary of Health and Human Services) shall be informed of the availability of benefits under the food stamp program and informed of the availability of a simple application to participate in such program at the social security office.
- “(2) The Secretary and the Secretary of Health and Human Services shall revise the memorandum of understanding in effect on the date of enactment of the Food Security Act of 1985, regarding services to be provided in social security offices under this subsection and subsection (i), in a manner to ensure that—
- “(A) applicants for and recipients of social security benefits are adequately notified in social security offices that assistance may be available to them under this Act;
- “(B) applications for assistance under this Act from households in which all members are applicants for or recipients of supplemental security income will be forwarded immediately to the State agency in an efficient and timely manner; and
- “(C) the Secretary of Health and Human Services receives from the Secretary reimbursement for costs incurred to provide such services.”.
- Report. (c) Not later than April 1, 1987, the Secretary of Agriculture shall submit a report, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, describing the nature and extent of the costs being incurred by the Secretary of Health and Human Services to comply with subsections (i) and (j) of section 11 of the Food Stamp Act of 1977, as amended by subsections (a) and (b).

RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

- Regulations. SEC. 1532. (a) Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended by adding at the end thereof the following:
- “(e)(1) In the event any retail food store or wholesale food concern that has been disqualified under subsection (a) is sold or the ownership thereof is otherwise transferred to a purchaser or transferee, the person or persons who sell or otherwise transfer ownership of the retail food store or wholesale food concern shall be subjected to a civil money penalty in an amount established by the Secretary through regulations to reflect that portion of the disqualification period that has not yet expired. If the retail food store or wholesale food concern has been disqualified permanently, the civil money penalty shall be double the penalty for a ten-year disqualification

period, as calculated under regulations issued by the Secretary. The disqualification period imposed under subsection (b) shall continue in effect as to the person or persons who sell or otherwise transfer ownership of the retail food store or wholesale food concern notwithstanding the imposition of a civil money penalty under this subsection.

“(2) At any time after a civil money penalty imposed under paragraph (1) has become final under the provisions of section 14(a), the Secretary may request the Attorney General to institute a civil action against the person or persons subject to the penalty in a district court of the United States for any district in which such person or persons are found, reside, or transact business to collect the penalty and such court shall have jurisdiction to hear and decide such action. In such action, the validity and amount of such penalty shall not be subject to review.”.

Prohibition.
Post, p. 1585.

(b) Section 9(b) of the Food Stamp Act of 1977 (7 U.S.C. 2018(b)) is amended by—

(1) inserting “(1)” after the subsection designation; and

(2) adding at the end thereof the following new paragraph:

“(2)(A) A buyer or transferee (other than a bona fide buyer or transferee) of a retail food store or wholesale food concern that has been disqualified under section 12(a) may not accept or redeem coupons until the Secretary receives full payment of any penalty imposed on such store or concern.

Prohibition.

Ante, p. 1582.

“(B) A buyer or transferee may not, as a result of the sale or transfer of such store or concern, be required to furnish a bond under section 12(d).”.

LIABILITY FOR OVERISSUANCE OF COUPONS

SEC. 1533. Section 13(a) of the Food Stamp Act of 1977 (7 U.S.C. 2022(a)) is amended by—

(1) inserting “(1)” after the subsection designation; and

(2) adding at the end thereof the following new paragraph:

“(2) Each adult member of a household shall be jointly and severally liable for the value of any overissuance of coupons.”.

COLLECTION OF CLAIMS

SEC. 1534. Section 13(b)(1)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2022(b)(1)(B)) is amended by—

(1) striking out “may” and inserting in lieu thereof “shall”; and

(2) inserting “, unless the State agency demonstrates to the satisfaction of the Secretary that such other means are not cost effective” before the period at the end thereof.

FOOD STAMP INTERCEPT OF UNEMPLOYMENT BENEFITS

SEC. 1535. (a) Section 13 of the Food Stamp Act of 1977 (7 U.S.C. 2022) is amended by adding at the end thereof the following new subsection:

“(c)(1) As used in this subsection, the term ‘uncollected overissuance’ means the amount of an overissuance of coupons, as determined under subsection (b)(1), that has not been recovered pursuant to subsection (b)(1).

“(2) A State agency may determine on a periodic basis, from information supplied pursuant to section 3(b) of the Wagner-Peyser

Act (29 U.S.C. 49b(b)), whether an individual receiving compensation under the State's unemployment compensation law (including amounts payable pursuant to an agreement under a Federal unemployment compensation law) owes an uncollected overissuance.

"(3) A State agency may recover an uncollected overissuance—

"(A) by—

"(i) entering into an agreement with an individual described in paragraph (2) under which specified amounts will be withheld from unemployment compensation otherwise payable to the individual; and

"(ii) furnishing a copy of the agreement to the State agency administering the unemployment compensation law; or

"(B) in the absence of an agreement, by obtaining a writ, order, summons, or other similar process in the nature of garnishment from a court of competent jurisdiction to require the withholding of amounts from the unemployment compensation."

Ante, p. 1580.

(b)(1) Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)), as amended by section 1526, is amended by adding at the end thereof the following new paragraph:

Ante, p. 1583.

"(24) at the option of the State, for procedures necessary to obtain payment of uncollected overissuance of coupons from unemployment compensation pursuant to section 13(c)."

(2) Section 3(b) of the Wagner-Peyser Act (29 U.S.C. 49b(b)) is amended by—

(A) striking out "or" the second place it appears and inserting in lieu thereof a comma; and

(B) inserting after "such Act," the following: "or of a State agency charged with the administration of the food stamp program in a State under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.)."

(3) Section 303(d) of the Social Security Act (42 U.S.C. 503(d)) is amended by—

(A) redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(B) inserting after paragraph (1) the following new paragraph:
 "(2)(A) For purposes of this paragraph, the term 'unemployment compensation' means any unemployment compensation payable under the State law (including amounts payable pursuant to an agreement under a Federal unemployment compensation law).

"(B) The State agency charged with the administration of the State law—

Ante, p. 1583.

"(i) may require each new applicant for unemployment compensation to disclose whether the applicant owes an uncollected overissuance (as defined in section 13(c)(1) of the Food Stamp Act of 1977) of food stamp coupons,

"(ii) may notify the State food stamp agency to which the uncollected overissuance is owed that the applicant has been determined to be eligible for unemployment compensation if the applicant discloses under clause (i) that the applicant owes an uncollected overissuance and the applicant is determined to be so eligible,

"(iii) may deduct and withhold from any unemployment compensation otherwise payable to an individual—

"(1) the amount specified by the individual to the State agency to be deducted and withheld under this clause,

“(II) the amount (if any) determined pursuant to an agreement submitted to the State food stamp agency under section 13(c)(3)(A) of the Food Stamp Act of 1977, or

Ante, p. 1583.

“(III) any amount otherwise required to be deducted and withheld from the unemployment compensation pursuant to section 13(c)(3)(B) of such Act, and

“(iv) shall pay any amount deducted and withheld under clause (iii) to the appropriate State food stamp agency.

“(C) Any amount deducted and withheld under subparagraph (B)(iii) shall for all purposes be treated as if it were paid to the individual as unemployment compensation and paid by the individual to the State food stamp agency to which the uncollected overissuance is owed as repayment of the individual's uncollected overissuance.

“(D) A State food stamp agency to which an uncollected overissuance is owed shall reimburse the State agency charged with the administration of the State unemployment compensation law for the administrative costs incurred by the State agency under this paragraph that are attributable to repayment of uncollected overissuance to the State food stamp agency to which the uncollected overissuance is owed.”

(c)(1) The proviso of the first sentence of section 16(a) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)) is amended by striking out “section 13(b)(1) of this Act” and inserting in lieu thereof “subsections (b)(1) and (c) of section 13”.

(2) The first sentence of section 18(e) of such Act (7 U.S.C. 2027(e)) is amended by striking out “section 13(b) of this Act” and inserting in lieu thereof “subsections (b) and (c) of section 13”.

Post, p. 1589.

ADMINISTRATIVE AND JUDICIAL REVIEW

SEC. 1536. The last sentence of section 14(a) of the Food Stamp Act of 1977 (7 U.S.C. 2023(a)) is amended by—

(1) striking out “an application” and inserting in lieu thereof “on application”; and

(2) striking out “showing of irreparable injury” and inserting in lieu thereof “consideration by the court of the applicant's likelihood of prevailing on the merits and of irreparable injury”.

STATE AGENCY LIABILITY, QUALITY CONTROL, AND AUTOMATIC DATA PROCESSING

SEC. 1537. (a) Effective with respect to the fiscal year beginning October 1, 1985, and each fiscal year thereafter, section 16(d) of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by—

Effective date.

(1) in paragraph (2)(A), inserting before the period at the end thereof the following:

“less any amount payable as a result of the use by the State agency of correctly processed information received from an automatic information exchange system made available by any Federal department or agency”; and

(2) adding at the end thereof the following:

“(6) To facilitate the implementation of paragraphs (2) and (3), each State agency shall submit to the Secretary expeditiously data regarding its operations in each fiscal year sufficient for the Secretary to establish the payment error rate for the State agency for

such fiscal year and determine the amount for which the State agency will be liable for such fiscal year under paragraphs (2) and (3). The Secretary shall make a determination for a fiscal year, and notify the State agency of such determination, within nine months following the end of each fiscal year. The Secretary shall initiate efforts to collect the amount owed by the State agency as a claim established under paragraphs (2) and (3) for a fiscal year, subject to the conclusion of any formal or informal appeal procedure and administrative or judicial review under section 14 (as provided for in paragraph (5)), before the end of the fiscal year following such fiscal year."

Ante, p. 1585.

(b) Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended by adding at the end thereof the following new subsection:

"(o)(1) The Secretary shall develop, after consultation with, and with the assistance of, an advisory group of State agencies appointed by the Secretary without regard to the provisions of the Federal Advisory Committee Act, a model plan for the comprehensive automation of data processing and computerization of information systems under the food stamp program. The plan shall be developed and made available for public comment through publication of the proposed plan in the Federal Register not later than October 1, 1986. The Secretary shall complete the plan, taking into consideration public comments received, not later than February 1, 1987. The elements of the plan may include intake procedures, eligibility determinations and calculation of benefits, verification procedures, coordination with related Federal and State programs, the issuance of benefits, reconciliation procedures, the generation of notices, and program reporting. In developing the plan, the Secretary shall take into account automated data processing and information systems already in existence in States and shall provide for consistency with such systems.

5 USC app.

Federal Register, publication.

"(2) Not later than October 1, 1987, each State agency shall develop and submit to the Secretary for approval a plan for the use of an automated data processing and information retrieval system to administer the food stamp program in such State. The State plan shall take into consideration the model plan developed by the Secretary under paragraph (1) and shall provide time frames for completion of various phases of the State plan. If a State agency already has a sufficient automated data processing and information retrieval system, the State plan may, subject to the Secretary's approval, reflect the existing State system.

"(3) Not later than April 1, 1988, the Secretary shall prepare and submit to Congress an evaluation of the degree and sufficiency of each State's automated data processing and computerized information systems for the administration of the food stamp program, including State plans submitted under paragraph (2). Such report shall include an analysis of additional steps needed for States to achieve effective and cost-efficient data processing and information systems. The Secretary, thereafter, shall periodically update such report.

Report.

"(4) Based on the Secretary's findings in such report submitted under paragraph (3), the Secretary may require a State agency, as necessary to rectify identified shortcomings in the administration of the food stamp program in the State, except where such direction would displace State initiatives already under way, to take specified steps to automate data processing systems or computerize information systems for the administration of the food stamp program in

Report.

the State if the Secretary finds that, in the absence of such systems, there will be program accountability or integrity problems that will substantially affect the administration of the food stamp program in the State.

“(5)(A) Subject to subparagraph (B), in the case of a plan for an automated data processing and information retrieval system submitted by a State agency to the Secretary under paragraph (2), such State agency shall—

“(i) commence implementation of its plan not later than October 1, 1988; and

“(ii) meet the time frames set forth in the plan.

“(B) The Secretary shall extend a deadline imposed under subparagraph (A) to the extent the Secretary deems appropriate based on the Secretary’s finding of a good faith effort of a State agency to implement its plan in accordance with subparagraph (A).”

(c) Section 11(g) of the Food Stamp Act of 1977 (7 U.S.C. 2020(g)) is amended by—

(1) inserting “the State plan for automated data processing submitted pursuant to subsection (o)(2) of this section,” after “pursuant to subsection (d) of this section,” and

Ante, p. 1586.

(2) striking out “16(a) and 16(c)” and inserting in lieu thereof “16(a), 16(c), and 16(g)”.

QUALITY CONTROL STUDIES AND PENALTY MORATORIUM

SEC. 1538. (a)(1)(A) The Secretary of Agriculture (hereinafter referred to in this section as the “Secretary”) shall conduct a study of the quality control system used for the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

7 USC 2025 note.

(B) The study shall—

(i) examine how best to operate such system in order to obtain information that will allow the State agencies to improve the quality of administration; and

(ii) provide reasonable data on the basis of which Federal funding may be withheld for State agencies with excessive levels of erroneous payments.

(2)(A) The Secretary shall also contract with the National Academy of Sciences to conduct a concurrent independent study for the purpose described in paragraph (1).

Contracts.

(B) For purposes of such study, the Secretary shall provide to the National Academy of Sciences any relevant data available to the Secretary at the onset of the study and on an ongoing basis.

(3) Not later than 1 year after the date of enactment of this Act, the Secretary and the National Academy of Sciences shall report the results of their respective studies to the Congress.

(b)(1) During the 6-month period beginning on the date of enactment of this Act (hereinafter in this section referred to as the “moratorium period”), the Secretary shall not impose any reductions in payments to State agencies pursuant to section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025).

Ante, pp. 1577, 1580, 1585; *post*, p. 1588.

(2) During the moratorium period, the Secretary and the State agencies shall continue to—

(A) operate the quality control systems in effect under the Food Stamp Act of 1977; and

(B) calculate error rates under section 16 of such Act.

- Regulations. (c)(1) Not later than 18 months after the date of enactment of this Act, the Secretary shall publish regulations that shall—
- 7 USC 2011 note. (A) restructure the quality control system used under the Food Stamp Act of 1977 to the extent the Secretary determines to be appropriate, taking into account the studies conducted under subsection (a); and
- (B) establish, taking into account the studies conducted under subsection (a), criteria for adjusting the reductions that shall be made for quarters prior to the implementation of the restructured quality control system so as to eliminate reductions for those quarters that would not be required if the restructured quality control system had been in effect during those quarters.
- (2) Beginning 2 years after the date of the enactment of this Act the Secretary shall—
- (A) implement the restructured quality control system; and
- (B) reduce payments to State agencies—
- (i) for quarters after implementation of such system in accordance with the restructured quality control system; and
- Regulations. (ii) for quarters before implementation of such system, as provided under the regulations described in paragraph (1)(B)."

GEOGRAPHICAL ERROR-PRONE PROFILES

Ante, pp. 1577, 1580, 1585.

SEC. 1539. Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by adding at the end thereof the following new subsection:

"(i)(1) The Department of Agriculture may use quality control information made available under this section to determine which project areas have payment error rates (as defined in subsection (d)(1)) that impair the integrity of the food stamp program.

"(2) The Secretary may require a State agency to carry out new or modified procedures for the certification of households in areas identified under paragraph (1) if the Secretary determines such procedures would improve the integrity of the food stamp program and be cost effective.

Report.

"(3) Not later than 12 months after the date of enactment of the Food Security Act of 1985, and each 12 months thereafter, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that lists project areas identified under paragraph (1) and describes any procedures required to be carried out under paragraph (2)."

PILOT PROJECTS

Ante, p. 818.

SEC. 1540. (a) Section 17(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)) is amended by striking out "December 31, 1985" the last place it appears and inserting in lieu thereof "October 1, 1990".

Repeal.
7 USC 2026.

(b) Section 17(d) of the Food Stamp Act of 1977 is repealed.

(c) Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2226) is amended by redesignating subsections (e) and (f) as subsections (d) and (e).

AUTHORIZATION CEILING; AUTHORITY TO REDUCE BENEFITS

SEC. 1541. Section 18 of the Food Stamp Act of 1977 (7 U.S.C. 2027) is amended by—

- (1) inserting, after the first sentence of subsection (a)(1), the following:
 “To carry out the provisions of this Act, there are hereby authorized to be appropriated not in excess of \$13,037,000,000 for the fiscal year ending September 30, 1986; not in excess of \$13,936,000,000 for the fiscal year ending September 30, 1987; not in excess of \$14,741,000,000 for the fiscal year ending September 30, 1988; not in excess of \$15,435,000,000 for the fiscal year ending September 30, 1989; and not in excess of \$15,970,000,000 for the fiscal year ending September 30, 1990.”; and
- (2) in the second sentence of subsection (b), striking out “the limitation set herein,” and inserting in lieu thereof “the appropriation amount authorized in subsection (a)(1).”

TRANSFER OF FUNDS

SEC. 1542. (a) Section 18 of the Food Stamp Act of 1977 (7 U.S.C. 2027) is amended by adding at the end thereof the following new subsection:

“(f) No funds appropriated to carry out this Act may be transferred to the Office of the Inspector General, or the Office of the General Counsel, of the Department of Agriculture.”

Prohibition.

(b) The amendment made by this section shall become effective on October 1, 1986.

Effective date.
7 USC 2027 note.

PUERTO RICO BLOCK GRANT

SEC. 1543. Section 19 of the Food Stamp Act of 1977 (7 U.S.C. 2028) is amended by—

- (1) striking out “for each fiscal year” in subsection (a)(1)(A) and inserting in lieu thereof “for the fiscal year ending September 30, 1986, \$852,750,000 for the fiscal year ending September 30, 1987, \$879,750,000 for the fiscal year ending September 30, 1988, \$908,250,000 for the fiscal year ending September 30, 1989, and \$936,750,000 for the fiscal year ending September 30, 1990.”;
- (2) striking out “noncash” in subsection (a)(1)(A); and
- (3) striking out “a single agency which shall be” in clause (i) of subsection (b)(1)(A) and inserting in lieu thereof “the agency or agencies directly.”

Ante, p. 818.

Subtitle B—Commodity Distribution Provisions

TRANSFER OF SECTION 32 COMMODITIES

SEC. 1561. Section 32 of the Act entitled “An Act to amend the Agricultural Adjustment Act, and for other purposes”, approved August 24, 1935 (7 U.S.C. 612c), is amended by adding at the end thereof the following new sentence: “A public or private nonprofit organization that receives agricultural commodities or the products thereof under clause (2) of the second sentence may transfer such commodities or products to another public or private nonprofit organization that agrees to use such commodities or products to provide, without cost or waste, nutrition assistance to individuals in low-income groups.”.

COMMODITY DISTRIBUTION PROGRAMS

SEC. 1562. (a) Section 4 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended by—

(1) striking out “1982, 1983, 1984, and 1985” in the first sentence of subsection (a) and inserting in lieu thereof “1986, 1987, 1988, 1989, and 1990”; and

(2) in subsection (b), striking out “under 18 years of age” and inserting in lieu thereof “18 years of age and under”.

(b) Section 5(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended by—

(1) striking out “, which projects shall operate no longer than two years, and” in clause (1) and inserting in lieu thereof a semicolon;

(2) striking out “1982 through 1985” in clause (2) and inserting in lieu thereof “1986 through 1990”.

(c) Section 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended by adding at the end thereof the following new subsections:

Aged persons. “(f) The Secretary shall, in any fiscal year, approve applications of additional sites for the program in areas in which the program currently does not operate to the full extent that this can be done within the appropriations available for the program for the fiscal year and without reducing actual participation levels (including participation of elderly persons under subsection (g)) in areas in which the program is in effect.

Women.
Children and youth.
Aged persons. “(g) If a local agency that administers the commodity supplemental food program determines that the amount of funds made available to the agency to carry out this section exceeds the amount of funds necessary to provide assistance under such program to women, infants, and children, the agency, with the approval of the Secretary, may permit low-income elderly persons (as defined by the Secretary) to participate in and be served by such program.”

Aged persons.
7 USC 612c note. (d) Notwithstanding any other provision of law, in implementing the commodity supplemental food program under section 4 of the Agriculture and Consumer Protection Act of 1973, the Secretary of Agriculture shall allow agencies distributing agricultural commodities to low-income elderly people under such programs on the date of enactment of this Act to continue such distribution at levels no lower than existing caseloads.

Repeal. (e)(1) Section 209 of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is repealed.

(2) Clause (2) of section 5(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended by striking out “amount appropriated for the provision of commodities to State agencies” and inserting in lieu thereof “sum of (A) the amount appropriated for the commodity supplemental food program and (B) the value of all additional commodities donated by the Secretary to State and local agencies that are provided without charge or credit for distribution to program participants”.

EMERGENCY FEEDING ORGANIZATIONS—DEFINITIONS

SEC. 1563. Section 201A of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by inserting, before the semicolon at the end of paragraph (1), the following: “(including the activities and projects of charitable institutions, food banks,

hunger centers, soup kitchens, and similar public or private non-profit eligible recipient agencies) hereinafter in this title referred to as 'emergency feeding organizations' ”.

TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM

SEC. 1564. (a) Section 202 of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by adding at the end thereof the following new subsections:

“(c) In addition to any commodities described in subsection (a), in carrying out this Act, the Secretary may use agricultural commodities and the products thereof made available under clause (2) of the second sentence of section 32 of the Act entitled ‘An Act to amend the Agricultural Adjustment Act, and for other purposes’, approved August 24, 1935 (7 U.S.C. 612c).

“(d) Commodities made available under this Act shall include, but not be limited to, dairy products, wheat or the products thereof, rice, honey, and cornmeal.

“(e) Effective April 1, 1986, the Secretary shall submit semiannually to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the types and amounts of commodities made available for distribution under this Act.”.

Effective date.
Report.

(b) Section 212 of the Temporary Emergency Food Assistance Act of 1973 is amended to read as follows:

7 USC 612c note.

“PROGRAM TERMINATION

“SEC. 212. Except for section 207, this Act shall terminate on September 30, 1987.”

7 USC 612c note.

REPEAL OF PROVISIONS RELATING TO THE FOOD SECURITY WHEAT RESERVE

SEC. 1565. (a) Section 202 of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by—

- (1) striking out the subsection designation for subsection (a);
- and
- (2) striking out subsection (b).

(b) The second sentence of section 203A of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by striking out “, except that wheat from the Food Security Wheat Reserve may not be used to pay such costs”.

Prohibitions.

REPORT ON COMMODITY DISPLACEMENT

SEC. 1566. Section 203C(a) of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by adding at the end thereof the following: “The Secretary shall submit to Congress each year a report as to whether and to what extent such displacements or substitutions are occurring.”.

DISTRIBUTION OF SURPLUS COMMODITIES TO SPECIAL NUTRITION PROJECTS; PROCESSING AGREEMENTS

SEC. 1567. (a) Section 1114(a) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e) is amended by adding at the end thereof the following new sentence: “Commodities made available under this

section shall include, but not be limited to, dairy products, wheat or the products thereof, rice, honey, and cornmeal.”

(b) Section 1114(a) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e) is amended by—

(1) inserting “(1)” after “(a)”;

(2) adding, at the end thereof, the following:

“(2)(A) Effective through June 30, 1987, whenever a commodity is made available without charge or credit under any nutrition program administered by the Secretary of Agriculture, the Secretary shall encourage consumption of such commodity through agreements with private companies under which the commodity is reprocessed into end-food products for use by eligible recipient agencies. The expense of reprocessing shall be paid by such eligible recipient agencies.

“(B) To maintain eligibility to enter into, and to continue, any agreement with the Secretary of Agriculture under subparagraph (A), a private company shall annually settle all accounts with the Secretary and any appropriate State agency regarding commodities processed under such agreements.”

Repeal.

(c) Section 203 of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is repealed.

STATE COOPERATION

Rural areas.

SEC. 1568. (a) Section 203B(b) of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by adding at the end thereof the following new sentence: “Each State agency shall encourage distribution of such commodities in rural areas.”

(b) Section 203B of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by adding at the end thereof the following:

“(d) Each State agency receiving commodities under this title may—

“(1) enter into cooperative agreements with State agencies of other States for joint provision of such commodities to an emergency feeding organization that serves needy persons in a single geographical area part of which is situated in each of such States; or

“(2) transfer such commodities to any such emergency feeding organization in the other State under such agreement.”

AUTHORIZATION FOR FUNDING AND RELATED PROVISIONS

SEC. 1569. (a) Section 204 of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by—

(1) redesignating subsection (c) as subsection (d); and

(2) after subsection (b), inserting the following:

“(c)(1) There are authorized to be appropriated \$50,000,000 for each of the fiscal years ending September 30, 1986, and September 30, 1987, for the Secretary to make available to the States for State and local payments for costs associated with the distribution of commodities by emergency feeding organizations under this title. Funds appropriated under this paragraph for any fiscal year shall be allocated to the States on an advance basis, dividing such funds among the States in the same proportions as the commodities distributed under this title for such fiscal year are divided among the States. If a State agency is unable to use all of the funds so

allocated to it, the Secretary shall reallocate such unused funds among the other States.

“(2) Each State shall make available to emergency feeding organizations in the State not less than 20 per centum of the funds provided as authorized in paragraph (1) that it has been allocated for a fiscal year, as necessary to pay for, or provide advance payments to cover, the direct expenses of the emergency feeding organizations for distributing commodities to needy persons, but only to the extent such expenses are actually so incurred by such organizations. As used in this paragraph, the term ‘direct expenses’ includes costs of transporting, storing, handling, and distributing commodities incurred after they are received by the organization; costs associated with determinations of eligibility, verification, and documentation; costs involved in publishing announcements of times and locations of distribution; and costs of recordkeeping, auditing, and other administrative procedures required for participation in the program under this title. If a State makes a payment, using State funds, to cover direct expenses of emergency feeding organizations, the amount of such payment shall be counted toward the amount a State must make available for direct expenses of emergency feeding organizations under this paragraph.

“(3) States to which funds are allocated for a fiscal year under this subsection shall submit financial reports to the Secretary, on a regular basis, as to the use of such funds. No such funds may be used by States or emergency feeding organizations for costs other than those involved in covering the expenses related to the distribution of commodities by emergency feeding organizations.

Reports.
Prohibition.

“(4)(A) Except as provided in subparagraph (B), effective January 1, 1987, to be eligible to receive funds under this subsection, a State shall provide in cash or in kind (according to procedures approved by the Secretary for certifying these in-kind contributions) from non-Federal sources a contribution equal to the difference between—

Effective date.

“(i) the amount of such funds so received; and

“(ii) any part of the amount allocated to the State and paid by the State—

“(I) to emergency feeding organizations; or

“(II) for the direct expenses of such organizations;

for use in carrying out this title.

“(B)(i) Except as provided in clause (ii), subparagraph (A) shall apply to States beginning on January 1, 1987.

“(ii) If the legislature of a State does not convene in regular session before January 1, 1987, paragraph (1) shall apply to such State beginning on October 1, 1987.

“(C) Funds allocated to a State under this section may, upon State request, be allocated before States satisfy the matching requirement specified in subparagraph (A), based on the estimated contribution required. The Secretary shall periodically reconcile estimated and actual contributions and adjust allocations to the State to correct for overpayments and underpayments.

“(5) States may not charge for commodities made available to emergency feeding organizations, and may not pass on to such organizations the cost of any matching requirements, under this Act.”

Prohibition.

REAUTHORIZATIONS

SEC. 1570. Section 210 of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by—

(1) in subsection (c)—

(A) striking out “the fiscal years ending September 30, 1984, and September 30, 1985” and inserting in lieu thereof “the period beginning October 1, 1983, and ending September 30, 1987”;

(B) striking out “prior to the beginning of the fiscal year ending September 30, 1985” and inserting in lieu thereof “as early as feasible but not later than the beginning of the fiscal year ending September 30, 1987”; and

(C) striking out “second twelve months” and inserting in lieu thereof “such fiscal year”; and

(2) adding at the end thereof the following:

Regulations. “(d) The regulations issued by the Secretary under this section shall include provisions that set standards with respect to liability for commodity losses under the program under this title in situations in which there is no evidence of negligence or fraud, and conditions for payment to cover such losses. Such provisions shall take into consideration the special needs and circumstances of emergency feeding organizations”.

REPORT

7 USC 612c note. SEC. 1571. Not later than April 1, 1987, the Secretary of Agriculture shall report to Congress on the activities of the program conducted under the Temporary Emergency Food Assistance Act of 1983. Such report shall include information on—

(1) the volume and types of commodities distributed under the program;

(2) the types of State and local agencies receiving commodities for distribution under the program;

(3) the populations served under the program and their characteristics;

Transportation. (4) the Federal, State, and local costs of commodity distribution operations under the program (including transportation, storage, refrigeration, handling, distribution, and administrative costs); and

(5) the amount of Federal funds provided to cover State and local costs under the program.

Subtitle C—Nutrition and Miscellaneous Provisions

SCHOOL LUNCH PILOT PROJECT

SEC. 1581. (a) As used in this section, the term “eligible school district” means a school district that on the date of enactment of this Act, is participating in the pilot project study provided for under the last proviso of the paragraph under the heading “CHILD NUTRITION PROGRAMS” in title III of the Act entitled “An Act making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1981, and for other purposes”, approved December 15, 1980 (Public Law 96-258; 94 Stat. 3113).

Effective date. (b) Effective through the school year ending June 30, 1987, the Secretary shall permit an eligible school district to receive assist-

ance to carry out the school lunch program operated in the district in the form of, in lieu of commodities, all cash assistance or all commodity letters of credit assistance.

(c) If an eligible school district elects to receive assistance in the form of all cash assistance or all commodity letters of credit assistance under subsection (a), the Secretary shall provide bonus commodities to the district only in the form of commodities, to the same extent as bonus commodities are provided to other school districts participating in the school lunch program.

GLEANING OF FIELDS

SEC. 1582. (a) Congress finds that—

(1) food banks, soup kitchens, and other emergency food providers help needy persons seeking food assistance at no cost to the Government;

(2) gleaning is a partnership between food producers and nonprofit organizations through which food producers permit members of such organizations to collect grain, vegetables, and fruit which have not been harvested and distribute such items to programs which provide food to needy individuals;

(3) support of gleaning to supply food to the poor is part of the Judeo-Christian heritage as set out in the Book of Leviticus: “When you reap the harvests of your land, do not reap to the very edges of your field or gather the gleanings of your harvest. Do not go over your vineyard a second time or pick up the grapes that have fallen. Leave them for the poor and the alien.”;

(4) a 1977 General Accounting Office analysis estimated that during the 1974 harvest 60,000,000 tons of grain, vegetables, and fruit, valued at \$5,000,000,000, were unharvested;

(5) the diets of millions of people in the United States could have been supplemented with such lost grain, vegetables, and fruit;

(6) a number of State and local governments have enacted “Good Samaritan” laws which limit the liability of food donors and provide an incentive for food contributions; and

State and local governments.

(7) numerous civil, religious, charitable, and other nonprofit organizations throughout the country have begun gleaning programs to harvest such food items and channel them to the needy in the United States.

(b) It is the sense of Congress that—

(1) food producers who permit gleaning of their fields and civic, religious, charitable, and other nonprofit organizations which glean fields and distribute the resulting harvest to help the needy should be commended for their efforts; and

(2) State and local governments should be encouraged to enact tax and other incentives designed to increase the number of food producers who permit gleaning of their fields and the number of shippers who donate, or charge reduced rates for, transportation of gleaned produce.

State and local governments.
Transportation.

ISSUANCE OF RULES

SEC. 1583. Not later than April 1, 1987, the Secretary shall issue rules to carry out the amendments made by this title.

7 USC 2011 note.

NUTRITION EDUCATION FINDINGS

7 USC 3175a.
7 USC 2011 note. **SEC. 1584.** Congress finds that individuals in households eligible to participate in programs under the Food Stamp Act of 1977 and other low-income individuals, including those residing in rural areas, should have greater access to nutrition and consumer education to enable them to use their food budgets, including food assistance, effectively and to select and prepare foods that satisfy their nutritional needs and improve their diets.

PURPOSE

7 USC 3175b.
Supra; infra;
post, p. 1597. **SEC. 1585.** The purpose of the program provided for under sections 1584 through 1588 is to expand effective food, nutrition, and consumer education services to the greatest practicable number of low-income individuals, including those participating in or eligible to participate in the programs under the Food Stamp Act of 1977, to assist them to—

- (1) increase their ability to manage their food budgets, including food stamps and other food assistance;
- (2) increase their ability to buy food that satisfies nutritional needs and promotes good health; and
- (3) improve their food preparation, storage, safety, preservation, and sanitation practices.

PROGRAM

7 USC 3175c.

Supra. **SEC. 1586.** The cooperative extension services of the States shall, with funds made available under this subtitle, carry out an expanded program of food, nutrition, and consumer education for low-income individuals in a manner designed to achieve the purpose set forth in section 1585. In operating the program, the cooperative extension services may use the expanded food and nutrition education program, and other food, nutrition, and consumer education activities of the cooperative extension services or similar activities carried out by them in collaboration with other public or private nonprofit agencies or organizations. In carrying out their responsibilities under the program, the cooperative extension services are encouraged to—

- (1) provide effective and meaningful food, nutrition, and consumer education services to as many low-income individuals as possible;
- (2) employ educational methodologies, including innovative approaches, that accomplish the purpose set forth in section 1585; and
- (3) to the extent practicable, coordinate activities carried out under the program with the delivery to low-income individuals of benefits under food assistance programs.

ADMINISTRATION

7 USC 3175d.
Supra. **SEC. 1587.** (a) The program provided for under section 1586 shall be administered by the Secretary of Agriculture through the Extension Service, in consultation with the Food and Nutrition Service and the Human Nutrition Information Service. The Secretary shall ensure that the Extension Service coordinates activities carried out under this subtitle with the ongoing food, nutrition, and consumer

education activities of other agencies of the Department of Agriculture.

(b) The Secretary of Agriculture, not later than April 1, 1989, shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report evaluating the effectiveness of the program provided for under section 1586.

Report.

Ante, p. 1596.

AUTHORIZATION OF APPROPRIATIONS

SEC. 1588. (a) There are hereby authorized to be appropriated to carry out sections 1584 through 1588 \$5,000,000 for the fiscal year ending September 30, 1986; \$6,000,000 for the fiscal year ending September 30, 1987; and \$8,000,000 for each of the fiscal years ending September 30, 1988, September 30, 1989, and September 30, 1990.

7 USC 3175e.
Ante, p. 1596.

(b) Any funds appropriated under this section for a fiscal year shall be allocated in the manner specified in subparagraphs (A) and (B) of section 1425(c)(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977.

7 USC 3175.

(c) Any funds appropriated to carry out sections 1584 through 1588 shall supplement any other funds appropriated to the Department of Agriculture for use by the Department and the cooperative extension services of the States for food, nutrition, and consumer education for low-income households.

NUTRITION MONITORING

SEC. 1589. The Secretary of Agriculture shall—

7 USC 3178a.

(1) in conducting the Department of Agriculture's continuing survey of food intakes of individuals and any nationwide food consumption survey, include a sample that is representative of low-income individuals and, to the extent practicable, the collection of information on food purchases and other household expenditures by such individuals;

(2) to the extent practicable, continue to maintain the nutrient data base established by the Department of Agriculture; and

(3) encourage research by public and private entities relating to effective standards, methodologies, and technologies for accurate assessment of the nutritional and dietary status of individuals.

Research and development.

TITLE XVI—MARKETING

Research and development.

Subtitle A—Beef Promotion and Research Act of 1985

AMENDMENT TO BEEF RESEARCH AND INFORMATION ACT

SEC. 1601. (a) This section may be cited as the "Beef Promotion and Research Act of 1985".

Beef Promotion and Research Act of 1985.

(b) Sections 2 through 20 of the Beef Research and Information Act (7 U.S.C. 2901-2918) are amended to read as follows:

7 USC 2901 note.

“CONGRESSIONAL FINDINGS AND DECLARATION OF POLICY

“SEC. 2. (a) Congress finds that—

7 USC 2901.

“(1) beef and beef products are basic foods that are a valuable part of human diet;