

Public Law 95-113  
95th Congress

An Act

To provide price and income protection for farmers and assure consumers of an abundance of food and fiber at reasonable prices, and for other purposes.

Sept. 29, 1977  
[S. 275]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act, with the following table of contents, may be cited as the “Food and Agriculture Act of 1977”.

Food and  
Agriculture Act  
of 1977.  
7 USC 1281 note.

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TITLE I—PAYMENT LIMITATION FOR WHEAT, FEED  
GRAINS, UPLAND COTTON, AND RICE

## PAYMENT LIMITATION

SEC. 101. Notwithstanding any other provision of law—

7 USC 1308.

(1) The total amount of payments which a person shall be entitled to receive under—

7 USC 1421 note.  
7 USC 1281.

(A) one or more of the annual programs established under the Agricultural Act of 1949, as amended, and the Agricultural Adjustment Act of 1938, as amended, for wheat, feed grains, and upland cotton shall not exceed \$40,000 for the 1978 crop and \$45,000 for the 1979 crop:

(B) the annual rice program established under such Acts shall not exceed \$52,250 for the 1978 crop and \$50,000 for the 1979 crop: and

(C) one or more of the annual programs established under such Acts for wheat, feed grains, upland cotton, and rice shall not exceed \$50,000 for each of the 1980 and 1981 crops.

“Payments.”

(2) The term “payments” as used in this section shall not include loans or purchases, or any part of any payment which is determined by the Secretary of Agriculture to represent compensation for disaster loss or resource adjustment (excluding land diversion payments) or public access for recreation.

(3) If the Secretary determines that the total amount of payments which will be earned by any person under the program in effect for any crop will be reduced under this section, the set-aside acreage for the farm or farms on which such person will be sharing in payments earned under such program shall be reduced to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

“Person.”  
Rules and  
regulations.

(4) The Secretary shall issue regulations defining the term “person” and prescribing such rules as the Secretary determines necessary to assure a fair and reasonable application of such limitation: *Provided*, That the provisions of this section which limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary. The rules for determining whether corporations and their stockholders may be considered as separate persons shall be in accordance with the regulations issued by the Secretary on December 18, 1970, under section 101 of the Agricultural Act of 1970.

*Post*, p. 919.

#### FAMILY FARMS

7 USC 2266.

SEC. 102. (a) Congress hereby specifically reaffirms the historical policy of the United States to foster and encourage the family farm system of agriculture in this country. Congress firmly believes that the maintenance of the family farm system of agriculture is essential to the social well-being of the Nation and the competitive production of adequate supplies of food and fiber. Congress further believes that any significant expansion of nonfamily owned large-scale corporate farming enterprises will be detrimental to the national welfare. It is neither the policy nor the intent of Congress that agricultural and agriculture-related programs be administered exclusively for family farm operations, but it is the policy and the express intent of Congress that no such program be administered in a manner that will place the family farm operation at an unfair economic disadvantage.

Annual report to  
Congress.  
Contents.

(b) In order that Congress may be better informed regarding the status of the family farm system of agriculture in the United States, the Secretary of Agriculture shall submit to Congress, not later than July 1 of each year, a written report containing current information on trends in family farm operations and comprehensive national and State-by-State data on nonfamily farm operations in the United States. The Secretary shall also include in each such report (1) 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, (2) an assessment of how Federal laws may encourage the growth of nonfamily farm operations, and (3) such other information as the Secretary deems appropriate or determines would aid Congress in protecting, preserving, and strengthening the family farm system of agriculture in the United States.

#### STUDY ON PROHIBITING PAYMENTS TO CERTAIN LEGAL ENTITIES

SEC. 103. In furtherance of the policy stated in section 102 of this Act, the Secretary of Agriculture shall conduct a study and report to Congress no later than January 1, 1979, on the impact on participation in the wheat, feed grain, cotton, and rice programs and the production of such commodities in carrying out a statutory provision such as that included in the Food and Agriculture Act of 1977, as passed by the Senate on May 24, 1977, prohibiting the making of payments to certain corporations and other entities under such programs. The study shall, in addition, assess the impact of extending the prohibition against making commodity program payments to tenants on land owned by such corporations and other entities which would be excluded from payments under such a provision. The study shall utilize, to the greatest extent possible, the information on commodity program payments compiled by the Agricultural Stabilization and Conservation Service in determining payment eligibility under section 101 of the Agricultural Act of 1970, as amended, and section 101 of this Act. The Secretary may collect such other information as may be necessary to determine the impact of such a statutory provision and to identify the number and characteristics of producers that would be affected by such a provision.

Report to  
Congress.  
7 USC 2266 note.

*Infra.*

#### CONFORMING AMENDMENT

SEC. 104. Section 101 (1) of the Agricultural Act of 1970, as amended, is amended to read as follows:

Payments,  
limitation.  
7 USC 1307.

“(1) The total amount of payments which a person shall be entitled to receive under one or more of the annual programs established by titles IV, V, and VI of this Act for the 1974 through 1976 crops of the commodities and by titles IV and V of the Food and Agriculture Act of 1977 and titles IV, V, and VI of this Act for the 1977 crop of the commodities shall not exceed \$20,000.”.

## TITLE II—DAIRY AND BEEKEEPER PROGRAMS

#### DAIRY BASE PLANS

SEC. 201. Section 201 (e) of the Agricultural Act of 1970, as amended, is amended to read as follows:

7 USC 608c note.

“(e) The provisions of this section shall not be effective after December 31, 1981, except with respect to orders providing for class I base plans issued prior to such date, but in no event shall any order so issued extend or be effective beyond December 31, 1984.”.

#### PRODUCER HANDLERS

SEC. 202. The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendment made by the Food and Agriculture Act of 1977 as it was prior thereto.

7 USC 608c note.

7 USC 601 note.

## MILK PRICE SUPPORT

7 USC 1446.  
Post, p. 949.

SEC. 203. Section 201 of the Agricultural Act of 1949, as amended, is amended by—

(1) striking out the second sentence in subsection (c) and inserting in lieu thereof a new sentence as follows: “Notwithstanding the foregoing, effective for the period beginning on the effective date of the Food and Agriculture Act of 1977 and ending March 31, 1979, the price of milk shall be supported at not less than 80 per centum of the parity price therefor.”; and

Adjustments.

(2) adding at the end thereof a new subsection (d) as follows: “(d) Effective for the period beginning on the effective date of the Food and Agriculture Act of 1977 and ending March 31, 1981, the support price of milk shall be adjusted by the Secretary at the beginning of each semiannual period after the beginning of the marketing year to reflect any estimated change in the parity index during such semiannual period. The Secretary is authorized to adjust the support price of milk at the beginning of each remaining quarter in the marketing year to reflect any substantial change in the parity index during such quarterly period. Any adjustment under this subsection shall be announced by the Secretary not more than thirty days prior to the beginning of the period to which it is applicable.”.

Announcement.

## TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND VETERANS HOSPITALS

7 USC 1446a.

SEC. 204. Section 202 of the Agricultural Act of 1949, as amended, is amended by striking out “1977” in subsections (a) and (b) and inserting in lieu thereof “1981”.

## DAIRY INDEMNITY PROGRAM

7 USC 450j.

SEC. 205. The Act of August 13, 1968 (82 Stat. 750, as amended; 7 U.S.C. 450 j, k, and l), is amended by—

(1) inserting after the first sentence a new sentence as follows: “The Secretary is also authorized to make indemnity payments for milk, or cows producing such milk, at a fair market value to any dairy farmer who is directed to remove his milk from commercial markets because of (1) the presence of products of nuclear radiation or fallout if such contamination is not due to the fault of the farmer, or (2) residues of chemicals or toxic substances not included under the first sentence of this section if such chemicals or toxic substances were not used in a manner contrary to applicable regulations or labeling instructions provided at the time of use and the contamination is not due to the fault of the farmer: *Provided*, That no indemnity payment may be made for contamination resulting from such residues of chemicals or toxic substances if the Secretary determines within thirty days after the date of application for payment that other legal recourse is available to the farmer.”; and

7 USC 450l.

(2) striking out “June 30, 1977” in section 3 and inserting in lieu thereof “September 30, 1981”.

## STANDARD OF QUALITY FOR ICE CREAM

Regulation.  
7 USC 1622.

SEC. 206. Section 203(c) of the Agricultural Marketing Act of 1946 is amended by adding at the end thereof the following: “Within thirty days after the enactment of the Food and Agriculture Act of 1977, the Secretary shall by regulation adopt a standard of quality for ice cream which shall provide that ice cream shall contain at least 1.6 pounds of



total solids to the gallon, weigh not less than 4.5 pounds to the gallon and contain not less than 20 percent total milk solids, constituted of not less than 10 percent milkfat. In no case shall the content of milk solids not fat be less than 6 percent. Whey shall not, by weight, be more than 25 percent of the milk solids not fat. Only those products which meet the standard issued by the Secretary may bear a symbol thereon indicating that they meet the Department of Agriculture standard for 'ice cream'.

#### BEEKEEPER INDEMNITY PROGRAM

SEC. 207. Section 804(f) of the Agricultural Act of 1970, as amended, is amended by striking out "December 31, 1977" and inserting in lieu thereof "September 30, 1981". 7 USC 135b note.

### TITLE III—WOOL AND MOHAIR

#### DECLARATION OF POLICY

SEC. 301. Section 702 of the National Wool Act of 1954, as amended, is amended to read as follows: 7 USC 1781.

"Sec. 702. It is hereby recognized that wool is an essential, strategic, and energy-efficient commodity which is not produced in the United States in sufficient quantities and grades to meet the domestic needs; and that the desired domestic production of wool is impaired by predatory animals and by the depressing effects of wide fluctuations in the price of wool in the world markets. It is hereby declared to be the policy of Congress, as a measure of national security and to promote the general economic welfare, a positive balance of trade, and the efficient use of the Nation's resources, to encourage the continued domestic production of wool at prices fair to both producers and consumers in a manner which will assure a viable domestic wool industry in the future."

#### EXTENSION OF ACT; SUPPORT PRICE

SEC. 302. Section 703 of the National Wool Act of 1954, as amended, is amended by— 7 USC 1782.

(1) striking out "1977" in subsection (a) and inserting in lieu thereof "1981";

(2) striking out "1977" in subsection (b) and inserting in lieu thereof "1976";

(3) inserting immediately before the period at the end of subsection (b) a new proviso as follows: " : *Provided further*, That for the marketing years beginning January 1, 1977, and ending December 31, 1981, the support price for shorn wool shall be 85 per centum (rounded to the nearest full cent) of the amount calculated according to the foregoing formula"; and

(4) striking out "1977" in subsection (c) and inserting in lieu thereof "1976".

### TITLE IV—WHEAT

#### LOAN RATES AND TARGET PRICES FOR THE 1977 THROUGH 1981 CROPS

SEC. 401. Effective only for the 1977 through 1981 crops of wheat, the Agricultural Act of 1949, as amended, is amended to add subsections (a) through (c) to new section 107A as follows:

"Sec. 107A. Notwithstanding any other provision of law—

7 USC 1445b.

Loans and purchases.	“(a) The Secretary shall make available to producers loans and purchases at such level, not less than \$2.25 per bushel for the 1977 crop of wheat and \$2.35 per bushel for each of the 1978 through 1981 crops of wheat, nor, in the case of each of the 1977 through 1981 crops, in excess of 100 per centum of parity, as the Secretary determines will maintain its competitive relationship to other grains in domestic and export markets: <i>Provided</i> , That if the Secretary determines that the average price of wheat received by producers in any marketing year is not more than 105 per centum of the level of loans and purchases for wheat for such marketing year, the Secretary may reduce the level of loans and purchases for wheat for the next marketing year by the amount the Secretary determines necessary to maintain domestic and export markets for grain, except that the level of loans and purchases shall not be reduced by more than 10 per centum in any year nor below \$2.00 per bushel.
Reduction.	
Payments.	“(b) (1) (A) In addition, the Secretary shall make available to producers payments for each of the 1977 through 1981 crops of wheat in an amount computed as provided in this subsection. Payments for the 1977 crop shall be computed by multiplying (i) the payment rate, by (ii) the allotment for the farm for such crop, by (iii) the projected yield established for the farm for such crop with such adjustments as the Secretary determines necessary to provide a fair and equitable yield. Payments for each of the 1978 through 1981 crops shall be computed by multiplying (i) the payment rate, by (ii) the farm program acreage for the crop, by (iii) the farm program payment yield for the crop. In no event shall payments be made under this paragraph for any of the 1978 through 1981 crops on a greater acreage than the acreage actually planted to wheat.
Computation.	“(B) The payment rate for wheat shall be the amount by which the higher of— “(i) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or “(ii) the loan level determined under subsection (a) of this section for such crop
Established prices.	is less than the established price per bushel. The established price for wheat shall be \$2.90 per bushel for the 1977 crop and \$3.00 per bushel for the 1978 crop: <i>Provided</i> , That for the 1977 crop, the established price shall be \$2.47 per bushel with respect to any acreage not planted to wheat within the wheat acreage allotment: <i>Provided further</i> , That for the 1978 crop, the established price shall be \$3.05 per bushel if the 1978 crop of wheat is 1.8 billion bushels or less. For the 1979 crop, the established price shall be \$3.00 per bushel adjusted to reflect any change in (i) the average adjusted cost of production for the two crop years immediately preceding the 1979 crop year from (ii) the average adjusted cost of production for the two crop years immediately preceding the 1978 crop year. For the 1980 and 1981 crops, the established price shall be the established price for the previous year's crop adjusted to reflect any change in (i) the average adjusted cost of production for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years shall be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and shall be limited to (i) vari-

able costs, (ii) machinery ownership costs, and (iii) general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

“(C) Notwithstanding the foregoing provisions of this section, in the event the Secretary adjusts the level of loans and purchases for wheat in accordance with the proviso in subsection (a) of this section, the Secretary shall provide emergency compensation by increasing the established price payments for wheat by such amount as the Secretary determines necessary to provide the same total return to producers as if the adjustment in the level of loans and purchases had not been made: *Provided*, That any such increase in established price payments shall not be included in the payments subject to limitation under the provisions of section 101 of the Food and Agriculture Act of 1977.

Emergency compensation.

“(D) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2) of this subsection.

“(2) (A) Effective only with respect to the 1978 and 1979 crops of wheat, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for wheat to wheat or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to wheat for harvest (including any acreage which the producers were prevented from planting to wheat or other nonconserving crop in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 33½ per centum of the established price per bushel for wheat.

Prevented planting disaster payments.

“(B) Effective only with respect to the 1978 and 1979 crops of wheat, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of wheat which the producers are able to harvest on any farm is less than the result of multiplying 60 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a farm disaster payment to the producers at a rate equal to 50 per centum of the established price for the crop for the deficiency in production below 60 per centum for the crop.

Farm disaster payments.

“(C) In the case of the 1977 crop of wheat, disaster payments for prevented planting shall be computed as provided in section 107 of this Act, as amended for the 1974 through 1977 crops by the Agriculture and Consumer Protection Act of 1973, and disaster payments for low yield shall be computed in accordance with the formula provided in subparagraph (B) of this paragraph: *Provided*, That producers may elect to receive disaster payments for low yield computed as provided in section 107 of this Act, as amended for the 1974 through 1977 crops by the Agriculture and Consumer Protection Act of 1973: *Provided further*, That no disaster payments for low yield may be made under this paragraph prior to October 1, 1977.

Computation.

7 USC 1445a.

“(c) The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.”

## PROGRAM ACREAGES AND PAYMENT YIELDS; SET-ASIDE PROGRAM

SEC. 402. Effective only for the 1978 through 1981 crops of wheat, the Agricultural Act of 1949, as amended, is amended by adding subsections (d) through (i) to section 107A to read as follows:

*Ante*, p. 921.  
Proclamation.

“(d) (1) The Secretary shall proclaim a national program acreage for each of the 1978 through 1981 crops of wheat. The proclamation shall be made not later than August 15 of each calendar year for the crop harvested in the next succeeding calendar year, except that in the case of the 1978 crop the proclamation shall be made as soon as practicable after enactment of the Food and Agriculture Act of 1977. The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (2) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for wheat shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of wheat are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

Revision.

Adjustment.

Program  
allocation factor.

“(2) The Secretary shall determine a program allocation factor for each crop of wheat. The allocation factor for wheat shall be determined by dividing the national program acreage for the crop by the number of acres which the Secretary estimates will be harvested for such crop: *Provided*, That in no event shall the allocation factor for any crop of wheat be more than 100 per centum nor less than 80 per centum.

“(3) The individual farm program acreage for each crop of wheat shall be determined by multiplying the allocation factor by the acreage of wheat planted for harvest on the farms for which individual farm program acreages are required to be determined: *Provided*, That the wheat acreage eligible for payments shall not be further reduced by application of the allocation factor if the producers reduce the acreage of wheat planted for harvest on the farm from the previous year by at least the percentage recommended by the Secretary in the proclamation of the national program acreage made not later than August 15 prior to the year in which the crop is harvested, or in the case of the 1978 crop, the proclamation first made after enactment of the Food and Agriculture Act of 1977. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of wheat planted for harvest is less than for the preceding year, but the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for wheat, the Secretary is authorized to make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

Payment yield.

“(e) The farm program payment yield for each crop of wheat shall be the yield established for the farm for the previous crop year, adjusted by the Secretary to provide a fair and equitable yield. If no

payment yield for wheat was established for the farm in the previous crop year, the Secretary is authorized to determine such yield as the Secretary finds fair and reasonable. Notwithstanding the foregoing provisions of this subsection, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. In the event national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

“(f) (1) The Secretary shall provide for a set-aside of cropland if the Secretary determines that the total supply of wheat will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. The Secretary shall announce any such set-aside not later than August 15 prior to the year in which the crop is harvested, except that in the case of the 1978 crop, the announcement shall be made as soon as practicable after enactment of the Food and Agriculture Act of 1977. If a set-aside of cropland is in effect under this subsection, then as a condition of eligibility for loans, purchases, and payments authorized by this section, the producers on a farm must set aside and devote to conservation uses an acreage of cropland equal to a specified percentage, as determined by the Secretary, of the acreage of wheat planted for harvest for the crop year for which the set-aside is in effect. The Secretary may limit the acreage planted to wheat. Such limitation shall be applied on a uniform basis to all wheat-producing farms. The set-aside acreage shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, which will assure protection of such acreage from weeds and wind and water erosion; however, the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the set-aside acreage to be devoted to sweet sorghum, hay, and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, oats, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

“(2) The Secretary may make land diversion payments to producers of wheat, whether or not a set-aside for wheat is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of wheat to desirable goals. Such land diversion payments shall be made to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines

Cropland set-aside.

Announcement.

Acreage limitation.

Land diversion payments.

Contracts, bids.

appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

Wildlife habitats.

“(3) The set-aside acreage and the additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

Payments.

Adjustments.

“(4) The Secretary may make such adjustments in individual set-aside acreages under this section as the Secretary determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography, and such other factors as the Secretary deems necessary.

Agreement, filing.

“(5) If the operator of the farm desires to participate in the program formulated under this subsection, the operator shall file an agreement to do so no later than such date as the Secretary may prescribe. Loans, purchases, and payments under this section shall be made available to producers on such farm only if the producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator agrees to set aside and devote to approved soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the producers, terminate or modify any such agreement entered into pursuant to this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

Termination or modification.

“(g) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the default.

Regulations.

“(h) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

“(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.”

NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS

7 USC 1379d  
note.  
7 USC  
1379d-1379j.

SEC. 403. Sections 379d, 379e, 379f, 379g, 379h, 379i, and 379j of the Agricultural Adjustment Act of 1938 (which deal with marketing certificate requirements for processors and exporters) shall not be appli-

cable to wheat processors or exporters during the period July 1, 1973, through May 31, 1982.

SUSPENSION OF MARKETING QUOTAS AND PRODUCER CERTIFICATE PROVISIONS

SEC. 404. Sections 331, 332, 333, 334, 335, 336, 338, 339, 379b, and 379c of the Agricultural Adjustment Act of 1938, as amended, shall not be applicable to the 1978 through 1981 crops of wheat.

7 USC 1331 note.  
7 USC  
1331-1333,  
1334, 1335,  
1336, 1338,  
1339, 1379b,  
1379c.

FINALITY OF DETERMINATIONS

SEC. 405. Effective only for the 1978 through 1981 crops, section 385 of the Agricultural Adjustment Act of 1938, as amended, is amended by amending the first sentence to read as follows: "The facts constituting the basis for any Soil Conservation Act payment, any payment under the wheat, feed grain, upland cotton, and rice programs authorized by the Agricultural Act of 1949 and this Act, any loan, or price support operation, or the amount thereof, when officially determined in conformity with the applicable regulations prescribed by the Secretary or by the Commodity Credit Corporation, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government."

7 USC 1385.

7 USC 1421 note.

SUSPENSION OF QUOTA PROVISIONS

SEC. 406. Public Law 74, Seventy-seventh Congress (55 Stat. 203, as amended) shall not be applicable to the crops of wheat planted for harvest in the calendar years 1978 through 1981.

7 USC 1330 note.  
7 USC 1330,  
1340.

APPLICATION OF TERMS IN THE AGRICULTURAL ACT OF 1949

SEC. 407. Section 408(k) of the Agricultural Act of 1949, as added by the Agricultural Act of 1970, as amended, to be effective for the 1971 through 1977 crops, shall be effective for the 1978 through 1981 crops, and shall read as follows:

7 USC 1428.

"REFERENCES TO TERMS MADE APPLICABLE TO WHEAT AND FEED GRAINS

"(k) References made in sections 402, 403, 406, and 416 to the terms 'support price', 'level of support', and 'level of price support' shall be considered to apply as well to the level of loans and purchases for wheat and feed grains under this Act; and references made to the terms 'price support', 'price support operations', and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for wheat and feed grains under this Act."

Post, p. 956.  
7 USC 1736,  
1431.

Post, p. 956.

COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS FOR WHEAT AND FEED GRAINS

SEC. 408. Effective only with respect to the marketing years for the 1978 through 1981 crops, section 407 of the Agricultural Act of 1949, as amended, is amended by—

7 USC 1427.

(1) striking out in the third sentence the language following the third colon and inserting in lieu thereof the following: "*Provided*, That the Corporation shall not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, and rye respectively at

less than 115 per centum of the current national average loan rate for the commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate, plus reasonable carrying charges.”;

(2) striking out in the fifth sentence “current basic county support rate including the value of any applicable price-support payment in kind (or a comparable price if there is no current basic county support rate)” and inserting in lieu thereof the following: “current basic county loan rate (or a comparable price if there is no current basic county loan rate)”;

(3) striking out in the seventh sentence “, but in no event shall the purchase price exceed the then current support price for such commodities” and inserting in lieu thereof the following: “or unduly affecting market prices, but in no event shall the purchase price exceed the Corporation’s minimum sales price for such commodities for unrestricted use”.

NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949 TO THE 1977 THROUGH 1981 CROPS OF WHEAT

7 USC 1445a note.  
7 USC 1445a.

SEC. 409. Section 107 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1977 through 1981 crops of wheat.

NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949, AS AMENDED, TO THE 1977 CROP OF WHEAT

7 USC 1445a note.

SEC. 410. Except as otherwise provided in section 401 of this Act, section 107 of the Agricultural Act of 1949, as added by the Agricultural Act of 1970, as amended, to be effective only for the 1974 through 1977 crops of wheat, shall not be applicable to the 1977 crop of wheat.

TITLE V—FEED GRAINS

LOAN RATES AND TARGET PRICES FOR THE 1977 THROUGH 1981 CROPS

Loans and purchases.

7 USC 1444c.

SEC. 501. Effective only for the 1977 through 1981 crops, the Agricultural Act of 1949, as amended, is amended by adding subsections (a) through (c) to a new section 105A as follows:

“Sec. 105A. Notwithstanding any other provision of law—

Reduction.

“(a) (1) The Secretary shall make available to producers loans and purchases at such level, not less than \$2.00 per bushel, for each of the 1977 through 1981 crops of corn, as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains in the United States: *Provided*, That if the Secretary determines that the average price of corn received by producers in any marketing year is not more than 105 per centum of the level of loans and purchases for corn for such marketing year, the Secretary may reduce the level of loans and purchases for corn for the next marketing year by the amount the Secretary determines necessary to maintain domestic and export markets for grain, except that the level of loans and purchases shall not be reduced by more than 10 per centum in any year nor below \$1.75 per bushel.

“(2) The Secretary shall make available to producers loans and purchases on each of the 1977 through 1981 crops of barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such



commodity in relation to corn and other factors specified in section 401(b) of this Act, and on each crop of grain sorghums at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value and average transportation costs to market of grain sorghums in relation to corn.

7 USC 1421.

“(b) (1) (A) In addition, the Secretary shall make available to producers payments for each of the 1977 through 1981 crops of corn, grain sorghums, and, if designated by the Secretary, oats and barley, in an amount computed as provided in this subsection. Payments for the 1977 crop shall be computed by multiplying (i) the payment rate, by (ii) the allotment for the farm for such crop, by (iii) the yield established for the farm for the preceding crop with such adjustments as the Secretary determines necessary to provide a fair and equitable yield. Payments for each of the 1978 through 1981 crops shall be computed by multiplying (i) the payment rate, by (ii) the farm program acreage for the crop, by (iii) the farm program payment yield for the crop. In no event shall payments be made under this paragraph for any of the 1978 through 1981 crops on a greater acreage than the acreage actually planted to such feed grains.

Payments.

“(B) The payment rate for corn shall be the amount by which the higher of—

“(1) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

“(2) the loan level determined under subsection (a) for such crop

is less than the established price per bushel. The established price for corn shall be \$2.00 per bushel in the case of the 1977 crop, except that the established price shall be \$1.70 per bushel with respect to any acreage not planted to corn within the feed grain allotment. The established price for corn shall be \$2.10 per bushel in the case of the 1978 crop, and for the 1979 through 1981 crops the established price shall be the established price for the previous year's crop adjusted to reflect any change in (i) the average adjusted cost of production for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years shall be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and shall be limited to (i) variable costs, (ii) machinery ownership costs, and (iii) general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

Established price per bushel.

Adjusted cost of production.

“(C) Notwithstanding the foregoing provisions of this section, in the event the Secretary adjusts the level of loans and purchases for corn in accordance with the proviso in subsection (a) (1) of this section, the Secretary shall provide emergency compensation by increasing the established price payments for corn by such amount as the Secretary determines necessary to provide the same total return to producers as if the adjustment in the level of loans and purchases had not been made: *Provided*, That any such increase in established price payments shall not be included in the payments subject to limitation under the provisions of section 101 of the Food and Agriculture Act of 1977.

Emergency compensation.

“(D) The payment rate for grain sorghums and, if designated by the Secretary, oats and barley, shall be such rate as the Secretary

determines fair and reasonable in relation to the rate at which payments are made available for corn.

“(E) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2) of this subsection.

Prevented  
planting disaster  
payments.

“(2) (A) Effective only with respect to the 1978 and 1979 crops of feed grains, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for feed grains to feed grains or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to feed grains for harvest (including any acreage which the producers were prevented from planting to feed grains or other nonconserving crop in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year multiplied by 75 per centum of the farm program payment yield for feed grains established by the Secretary times a payment rate equal to  $33\frac{1}{3}$  per centum of the established price per bushel.

Farm disaster  
payment.

“(B) Effective only with respect to the 1978 and 1979 crops of feed grains, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of feed grains which the producers are able to harvest on any farm is less than the result of multiplying 60 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a farm disaster payment to the producers at a rate equal to 50 per centum of the established price for the crop for the deficiency in production below 60 per centum for the crop.

7 USC 1307 note.

“(C) In the case of the 1977 crop of feed grains, disaster payments for prevented planting for feed grains shall be computed as provided in section 105 of this Act, as amended for the 1974 through 1977 crops by the Agriculture and Consumer Protection Act of 1973, and disaster payments for low yield shall be computed in accordance with the formula provided in subparagraph (B) of this paragraph: *Provided*, That producers may elect to receive disaster payments for low yield computed as provided in section 105 of this Act, as amended for the 1974 through 1977 crops by the Agriculture and Consumer Protection Act of 1973: *Provided further*, That no disaster payments for low yield may be made under this paragraph prior to October 1, 1977.

7 USC 1444b.

“(c) The Secretary shall provide for the sharing of payments made under this section for any farm among producers on the farm on a fair and equitable basis.”.

#### PROGRAM ACREAGES AND PAYMENT YIELDS; SET-ASIDE PROGRAM

Proclamation.

SEC. 502. Effective only for the 1978 through 1981 crops of feed grains, the Agricultural Act of 1949, as amended, is amended by adding subsections (d) through (i) to section 105A to read as follows:

*Ante*, p. 928.

“(d) (1) The Secretary shall proclaim a national program acreage for each of the 1978 through 1981 crops of feed grains. The proclamation shall be made not later than November 15 of each calendar year for the crop harvested in the next succeeding calendar year. The Secretary may revise the national program acreage first proclaimed for

Revision.

any crop year for the purpose of determining the allocation factor under paragraph (2) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for feed grains shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that the carryover stocks of feed grains are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

Adjustment.

“(2) The Secretary shall determine a program allocation factor for each crop of feed grains. The allocation factor for feed grains shall be determined by dividing the national program acreage for the crop by the number of acres which the Secretary estimates will be harvested for such crop: *Provided*, That in no event shall the allocation factor for any crop of feed grains be more than 100 per centum nor less than 80 per centum.

Program  
allocation factor.

“(3) The individual farm program acreage for each crop of feed grains shall be determined by multiplying the allocation factor by the acreage of feed grains planted for harvest on the farms for which individual farm program acreages are required to be determined: *Provided*, That the feed grain acreage eligible for payments shall not be further reduced by application of the allocation factor if the producers reduce the acreage of feed grains planted for harvest on the farm from the previous year by at least the percentage recommended by the Secretary in the proclamation of the national program acreage made not later than November 15 prior to the year in which the crop is harvested. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of feed grains planted for harvest is less than for the preceding year, but the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for feed grains, the Secretary is authorized to make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

Adjustment.

“(e) The farm program payment yield for each crop of feed grains shall be the yield established for the farm for the previous crop year, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for feed grains was established for the farm in the previous crop year, the Secretary is authorized to determine such yield as the Secretary finds fair and reasonable. Notwithstanding the foregoing provisions of this subsection, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. In the event national, State, or county program payment yields are established, the

Payment yield.

farm program payment yields shall balance to the national, State, or county program payment yields.

Cropland set-aside.

“(f) (1) The Secretary shall provide for a set-aside of cropland if the Secretary determines that the total supply of feed grains will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. Any such set-aside shall be announced by the Secretary not later than November 15 of each calendar year for the crop harvested in the next calendar year. If a set-aside of cropland is in effect under this subsection, then as a condition of eligibility for loans, purchases, and payments authorized by this section on corn, grain sorghums, and, if designated by the Secretary, barley and oats, respectively, the producers on a farm must set aside and devote to conservation uses an acreage of cropland equal to a specified percentage, as determined by the Secretary, of the feed grain acreage planted for harvest for the crop year for which the set-aside is in effect. The Secretary may limit the acreage planted to feed grains. Such limitation shall be applied on a uniform basis to all feed grain-producing farms. The set-aside acreage shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, which will assure protection of such acreage from weeds and wind and water erosion; however, the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the set-aside acreage to be devoted to sweet sorghum, hay, and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, oats, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

Announcement.

Limitation.

Land-diversion payments.

“(2) The Secretary may make land diversion payments to producers of feed grains, whether or not a set-aside for feed grains is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of feed grains to desirable goals. Such land diversion payments shall be made to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

Contracts, bids.

Payments.

“(3) The set-aside acreage and the additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunt-

ing, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

“(4) The Secretary may make such adjustments in individual set-aside acreages under this section as the Secretary determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography, and such other factors as the Secretary deems necessary.

Adjustments.

“(5) If the operator of the farm desires to participate in the program formulated under this subsection, the operator shall file an agreement to do so no later than such date as the Secretary may prescribe. Loans, purchases, and payments under this section shall be made available to producers on such farm only if the producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator agrees to set aside and devote to approved soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the producers, terminate or modify any such agreement entered into pursuant to this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

Agreement filing.

Termination or modification.

“(g) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the default.

“(h) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

Regulations.

“(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.”

NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949,  
TO THE 1977 THROUGH 1981 CROPS OF FEED GRAINS

SEC. 503. Section 105 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1977 through 1981 crops of feed grains.

7 USC 1444b  
note.  
7 USC 1441 note.

NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949,  
AS AMENDED, TO THE 1977 CROP OF FEED GRAINS

SEC. 504. Except as otherwise provided in section 501 of this Act, section 105 (a) and (b) (1) of the Agricultural Act of 1949, as added by the Agricultural Act of 1970, as amended, to be effective only for the 1974 through 1977 crops of feed grains, shall not be applicable to the 1977 crop of feed grains.

7 USC 1444b  
note.

TITLE VI—UPLAND COTTON

BASE ACREAGE ALLOTMENTS; SUSPENSION OF MARKETING QUOTAS, AND  
RELATED PROVISIONS

SEC. 601. Sections 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938, as amended, shall not be applicable to upland cotton of the 1978 through 1981 crops.

7 USC 1342 note,  
7 USC 1342,  
1343, 1344,  
1345, 1346,  
1377.

COTTON PRODUCTION INCENTIVES; LOAN RATE AND TARGET PRICE;  
SET-ASIDE PROGRAM

7 USC 1444. SEC. 602. Effective only with respect to the 1978 through 1981 crops of upland cotton, except as otherwise provided herein, section 103 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new subsection (f) as follows:

“(f)(1) The Secretary shall, upon presentation of warehouse receipts reflecting accrued storage charges of not more than sixty days, make available for the 1978 through 1981 crops of upland cotton to cooperators nonrecourse loans for a term of ten months from the first day of the month in which the loan is made at such level as will reflect for Strict Low Middling one and one-sixteenth inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States the smaller of (i) 85 per centum of the average price (weighted by market and month) of such quality of cotton as quoted in the designated United States spot markets during the four-year period ending July 31 in the year in which the loan level is announced, or (ii) 90 per centum of the average, for the first two full weeks of October of the year in which the loan level is announced, of the five lowest priced growths of the growths quoted for Strict Middling one and one-sixteenth inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between such average Northern Europe price quotation of such quality of cotton and the market quotations in the designated United States spot markets for Strict Low Middling one and one-sixteenth inch cotton (micronaire 3.5 through 4.9)). The loan level for any crop of cotton shall be determined and announced by the Secretary not later than November 1 of the calendar year preceding the marketing year for which such loan is to be effective, and such level shall not thereafter be changed. The rate of interest on loans to cooperators under the provisions of this paragraph shall be established quarterly by the Commodity Credit Corporation on the basis of the lowest current interest rate on ordinary obligations of the United States. Nonrecourse loans provided for in this subsection, shall, upon request of the cooperator during the tenth month of the loan period for the cotton, be made available for an additional term of eight months: *Provided*, That such request to extend the loan period shall not be approved in a month when the average price of Strict Low Middling one and one-sixteenth inch cotton (micronaire 3.5 through 4.9) in the designated spot markets for the preceding month exceeded 130 per centum of the average price of such quality of cotton in such markets for the preceding thirty-six month period: *Provided further*, That whenever the Secretary determines that the average price of Strict Low Middling one and one-sixteenth inch cotton (micronaire 3.5 through 4.9) in the designated spot markets for a month exceeded 130 per centum of the average price of such quality of cotton in such markets for the preceding thirty-six months, notwithstanding any other provision of law, the President shall immediately establish and proclaim a special limited global import quota for upland cotton subject to the following conditions:

“(A) The amount of the special quota shall be equal to twenty-one days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent three months for which data are available;

“(B) If a special quota has been established under this subsection during the preceding twelve months, the amount of the quota next established hereunder shall be the smaller of twenty-one days

Interest rate,  
quarterly  
establishment.  
Nonrecourse  
loans, extension.

Import quota,  
Presidential  
establishment.  
Conditions.

of domestic mill consumption calculated as set forth in clause (A) of this subsection or the amount required to increase the supply to 130 per centum of the demand;

“(C) As used in clause (B) of this paragraph, the term ‘supply’ means, using the latest official data of the Bureau of the Census, the United States Department of Agriculture, and the United States Department of the Treasury, the carryover of upland cotton at the beginning of the marketing year (adjusted to four hundred and eighty-pound bales) in which the special quota is established, plus production of the current crop, plus imports to the latest date available during the marketing year, and the term ‘demand’ means the average seasonally adjusted annual rate of domestic mill consumption in the most recent three months for which data are available, plus the larger of average exports of upland cotton during the preceding six marketing years or cumulative exports of upland cotton, plus outstanding export sales for the marketing year in which the special quota is established; and

“Supply.”

“Demand.”

“(D) When a special quota is established under the provisions of this subsection, a ninety-day period from the effective date of the proclamation shall be allowed for entering cotton under such quota.

“(2) Notwithstanding the foregoing provisions of this subsection, a special quota period shall not be established that overlaps an existing special quota period.

“(3) Notwithstanding any other provision of law, the foregoing provisions of this subsection with respect to extension of the loan period and to proclamation of the special quota shall become effective upon the effective date of the Food and Agriculture Act of 1977 even though the cotton may be of a crop prior to the 1978 crop.

“(4) Payments shall be made for each crop of upland cotton to the producers on each farm at a rate equal to the amount by which the higher of—

Payments.

“(A) the average market price received by farmers for upland cotton during the calendar year which includes the first five months of the marketing year for such crop, as determined by the Secretary, or

“(B) the loan level determined under paragraph (1) for such crop

is less than the established price per pound times in each case (i) the farm program acreage for cotton, determined in accordance with paragraph (9) of this subsection (but in no event on a greater acreage than the acreage actually planted to cotton for harvest), multiplied by (ii) the farm program payment yield for cotton determined in accordance with paragraph (10) of this subsection. For the 1978 through 1981 crops, the established price shall be the established price for the previous year's crop adjusted to reflect any change in (i) the average adjusted cost of production for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years shall be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and shall be limited to (i) variable costs, (ii) machinery ownership costs, and (iii) general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop: *Provided*, That in no event shall the established price for the 1978 crop be less than 52 cents per pound and for each subse-

Established price.

Adjusted cost of production.

quent crop be less than 51 cents per pound. The total quantity on which payments would otherwise be payable to a producer for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (5) (B) of this subsection.

Prevented  
planting disaster  
payments.

“(5) (A) Effective only with respect to the 1978 and 1979 crops of upland cotton, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for cotton to cotton or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to cotton for harvest (including any acreage which the producers were prevented from planting to cotton or other nonconserving crop in lieu of cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to  $33\frac{1}{3}$  per centum of the established price for the crop.

“(B) Effective only with respect to the 1978 and 1979 crops of upland cotton, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of cotton which the producers are able to harvest on any farm is less than the result of multiplying 75 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted to harvest for such crop, the Secretary shall make a farm disaster payment to the producers at a rate equal to  $33\frac{1}{3}$  per centum of the established price for the crop for the deficiency in production below 75 per centum for the crop.

Payment sharing.

“(6) The Secretary shall provide for the sharing of payments made under this subsection for any farm among the producers on the farm on a fair and equitable basis.

National program  
acreage.  
Announcement.

“(7) The Secretary shall establish for each of the 1978 through 1981 crops of upland cotton a national program acreage. Such national program acreage shall be announced by the Secretary not later than December 15 of the calendar year preceding the year for which such acreage is established. The Secretary may revise the national program acreage first announced for any crop year for the purpose of determining the allocation factor under paragraph (8) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall announce such revised national program acreage as soon as it has been made. The national program acreage shall be the number of harvested acres the Secretary determines (on the basis of the estimated weighted national average of the farm program yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. The national program acreage shall be subject to such adjustment as the Secretary determines necessary, taking into consideration the estimated carryover supply, so as to provide for an adequate but not excessive total supply of cotton for the marketing year for the crop for which such national program acreage is established. In no event shall the national program acreage be less than 10 million acres.

Adjustment.

Allocation factor.

“(8) The Secretary shall determine a program allocation factor for each crop of upland cotton. The allocation factor (not to exceed 100 per centum) shall be determined by dividing the national program



acreage for the crop by the number of acres which the Secretary estimates will be harvested for such crop.

“(9) The individual farm program acreage for each crop of upland cotton shall be determined by multiplying the allocation factor by the acreage of cotton planted for harvest on the farms for which individual farm program acreages are required to be determined: *Provided*, That the cotton acreage eligible for payment on a farm shall not be further reduced by application of the allocation factor if the producers reduce the acreage of cotton planted for harvest on the farm from the previous year by at least the percentage recommended by the Secretary in the announcement of the national program acreage made not later than December 15 of the calendar year preceding the year for which such acreage is established. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of cotton planted for harvest is less than for the preceding year, but the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor, the Secretary is authorized to make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

“(10) The farm program payment yield for each crop of upland cotton shall be determined on the basis of the actual yields per harvested acre on the farm for the preceding three years: *Provided*, That the actual yields shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, or other natural disaster, or other condition beyond the control of the producers. In case farm yield data for one or more years are unavailable or there was no production, the Secretary shall provide for appraisals to be made on the basis of actual yields and program payment yields for similar farms in the area for which data are available. Notwithstanding the foregoing provisions of this paragraph, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this paragraph. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary’s estimate of actual yields for the crop year involved. In the event national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

Payment yields.

“(11) (A) The Secretary shall provide for a set-aside of cropland if the Secretary determines that the total supply of upland cotton will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this paragraph, then as a condition of eligibility for loans, purchases, and payments on upland cotton, the producers on a farm must set aside and devote to conservation uses an acreage of cropland equal to a specified percentage as determined by the Secretary (but not to exceed 28 per centum), of the acreage of upland cotton planted for harvest for the crop year for which a set-aside is in effect. The set-aside acreage shall be devoted to conservation uses in accordance with regulations issued by the Secretary which will assure protection of such acreage from weeds and wind and water erosion; however, the Secretary may permit, subject to such

Cropland set-aside.

Regulations.

	terms and conditions as the Secretary may prescribe, all or any part of the set-aside acreage to be devoted to sweet sorghum, hay, and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, oats, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price support program, and will not adversely affect farm income. The Secretary may limit the acreage planted to upland cotton. Such limitation shall be applied on a uniform basis to all cotton-producing farms. Producers on a farm who knowingly plant cotton in excess of the permitted cotton acreage for the farm shall be ineligible for cotton loans or payments with respect to that farm.
Limitation.	
Land diversion payments.	“(B) The Secretary may make land diversion payments to producers of upland cotton, whether or not a set-aside for upland cotton is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of upland cotton to desirable goals. Such land diversion payments shall be made to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.
Contracts.	
Wildlife habitat.	“(C) The set-aside acreage and the additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.
Payment.	
Agreement, filing.	“(12) If the operator of the farm desires to participate in the program formulated under this subsection, the operator shall file an agreement to do so no later than such date as the Secretary may prescribe. Loans, purchases, and payments under this subsection shall be made available to the producers on such farm only if the producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator agrees to set aside and devote to approved soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the producers, terminate or modify any such agreement entered into pursuant to this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster, or in order to alleviate a shortage in the supply of agricultural commodities.
Termination or modification.	

“(13) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers. Safeguards.

“(14) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this subsection precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the default.

“(15) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this subsection. Regulations.

“(16) The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

“(17) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended (relating to assignment of payments), shall apply to payments under this subsection.”. 16 USC 590h.

#### COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS

SEC. 603. Effective only with respect to the period beginning August 1, 1978, and ending July 31, 1982, the tenth sentence of section 407 of the Agricultural Act of 1949, as amended, is amended by striking out all of that sentence through the words “110 per centum of the loan rate, and (2)” and inserting in lieu thereof the following: “Notwithstanding any other provision of law, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 115 per centum of the loan rate for Strict Low Middling one and one-sixteenth inch upland cotton (micronaire 3.5 through 4.9) adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges, and (2)”. Cotton.  
7 USC 1427.

#### MISCELLANEOUS COTTON PROVISIONS

SEC. 604. (a) Section 408(b) of the Agricultural Act of 1949, as amended, is amended by inserting immediately before the period at the end of the first sentence the following: “: *Provided further*, That for the 1978 through 1981 crops of upland cotton, a cooperator shall be a producer on a farm who has set aside the acreage required under section 103(f)”. Cooperator.  
7 USC 1428.

(b) Section 408(1) of the Agricultural Act of 1949, as added by the Agricultural Act of 1970, as amended, to be effective for the 1971 through 1977 crops, shall be effective for the 1978 through 1981 crops, and shall read as follows:  
*Ante*, p. 934.

#### “REFERENCES TO TERMS MADE APPLICABLE TO UPLAND COTTON

“(1) References made in sections 402, 403, 406, and 416 to the terms ‘support price’, ‘level of support’, and ‘level of price support’ shall be considered to apply as well to the level of loans and purchases for upland cotton under this Act; and references made to the terms ‘price support’, ‘price support operations’, and ‘price support program’ in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for upland cotton under this Act.”. *Post*, p. 956.  
7 USC 1736, 1431.

(c) Sections 103(a) and 203 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1978 through 1981 crops. *Post*, p. 956.  
7 USC 1446d note.  
7 USC 1444, 1446d.

## SKIPROW PRACTICES

7 USC 1374. SEC. 605. Section 374(a) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out "1977" in the last sentence and inserting in lieu thereof "1981".

## PRELIMINARY ALLOTMENTS FOR 1982 CROP OF UPLAND COTTON

7 USC 1342 note. SEC. 606. Notwithstanding any other provision of law, the permanent State, county, and farm base acreage allotments for the 1977 crop of upland cotton, adjusted for any underplantings in 1977 and reconstituted as provided in section 379 of the Agricultural Adjustment Act of 1938, as amended, shall again become effective as preliminary allotments for the 1982 crop.

7 USC 1379.

## EXTRA LONG STAPLE COTTON

7 USC 1441. SEC. 607. Section 101(f) of the Agricultural Act of 1949, as amended, is amended by striking out the words "Middling one-inch" appearing in the first sentence and inserting in lieu thereof "Strict Low Middling one and one-sixteenth inch".

## TITLE VII—RICE

## NATIONAL ACREAGE ALLOTMENT AND ALLOCATION

7 USC 1352 and note. SEC. 701. Effective beginning with the 1978 crop of rice, section 101 of the Rice Production Act of 1975 is amended by striking out "1976 and 1977" each place it occurs and inserting in lieu thereof "1976 through 1981".

## LOAN RATES, TARGET PRICES, AND SET-ASIDE FOR THE 1978 THROUGH 1981 CROPS

SEC. 702. Effective only for the 1978 through 1981 crops of rice, section 101 of the Agricultural Act of 1949, as amended, is amended by adding a new subsection (h) as follows:

7 USC 1441.  
Established  
price.

"(h) Notwithstanding any other provision of law—

Adjusted cost of  
production.

"(1) For the 1978 through 1981 crops of rice, the established price for the purpose of making payments under this subsection shall be the established price for the previous year's crop adjusted to reflect any change in (i) the average adjusted cost of production for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years shall be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and shall be limited to (i) variable costs, (ii) machinery ownership costs, and (iii) general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

Loans and  
purchases.

"(2) The Secretary shall make available, to cooperators in the several States of the United States, loans and purchases for each of the 1978 through 1981 crops of rice at such level as bears the same ratio to the loan level for the preceding year's crop as the established price for each such crop bears to the established price for the preceding year's crop. If the Secretary determines that

loans and purchases at the foregoing level for any of the 1978 through 1981 crops would substantially discourage the exportation of rice and result in excessive stocks of rice in the United States, the Secretary may, notwithstanding the foregoing provisions of this paragraph, establish loans and purchases for such crop or crops at such level, not less than \$6.31 per hundredweight nor more than the parity price thereof, as the Secretary determines necessary to avoid such consequences. The loans and purchases shall be made available to cooperators on a farm with respect to a quantity of rice determined by multiplying the allotment by the yield established for the farm, as determined in the manner described in the second sentence of paragraph (4) (A) of this subsection.

“(3) The Secretary shall make available to cooperators payments for each of the 1978 through the 1981 crops of rice grown in the several States of the United States at a rate equal to the amount by which the established price for the crop of rice exceeds the higher of—

“(A) the national average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

“(B) the loan level determined under paragraph (2) for such crop.

“(4) (A) The payments for each such crop shall be made available to cooperators on a farm with respect to a quantity of rice determined by multiplying that portion of the allotment planted to rice by the yield established for the farm: *Provided*, That an acreage on the farm which the Secretary determines was not planted to rice because of drought, flood, or other natural disaster, or other condition beyond the control of the cooperators shall be considered to be an acreage planted to rice. The yield for the farm for any year shall be determined on the basis of the actual yields per harvested acre for the three preceding years: *Provided*, That the actual yields shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, other natural disaster, or other condition beyond the control of the cooperators. The total quantity on which payments would otherwise be payable to a cooperator for any crop under this subparagraph shall be reduced by the quantity on which any disaster payment is made to the cooperator on a farm for the crop under this paragraph.

“(B) Effective only with respect to the 1978 and 1979 crops of rice, if the Secretary determines that the persons involved in producing rice on a farm are prevented from planting all or any portion of the acreage allotments of producers on the farm or the farm acreage allotment to rice or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to cooperators on a farm in an amount determined by multiplying (i) the number of such acres so affected, by (ii) the yield established for the farm, by (iii) 33½ per centum of the established price for rice, except that the Secretary shall make no payment pursuant to this sentence on a farm from which acres were transferred under section 352(d) of the Agricultural Adjustment Act of 1938, as amended, with respect to the transferred acreage.

“(C) Effective only with respect to the 1978 and 1979 crops of rice, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the

Payments.

Prevented  
planting disaster  
payments.

7 USC 1352.

Farm disaster  
payments.

producers, the total quantity of rice which the persons involved in producing rice on a farm are able to harvest on the acreage allotments of producers on the farm or the farm acreage allotment is less than the result of multiplying 75 per centum of the yield established for the farm by the acreage within the allotment planted to rice for harvest for such crop, the Secretary shall make a farm disaster payment to the cooperators on the farm for the deficiency in production below 75 per centum of the crop at a rate equal to 33 1/3 per centum of the established price for the crop.

7 USC 1352.

“(D) Any payment made under subparagraphs (B) and (C) of this paragraph with regard to acres transferred under section 352(d) of the Agricultural Adjustment Act of 1938, as amended, shall be calculated with respect to the farm yield established on the farm to which such acres were transferred.

Cropland set-aside.

“(5) The Secretary shall provide for a set-aside of cropland if the Secretary determines that the total supply of rice will, in the absence of such set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency.

Eligibility.

If a set-aside of cropland is in effect under this paragraph, then as a condition of eligibility for loans, purchases, and payments under this subsection, the cooperators on a farm must set aside and devote to conservation uses an acreage of cropland equal to (i) such percentage of the farm acreage allotment as may be specified by the Secretary (not to exceed 30 per centum of the farm acreage allotment), plus, if required by the Secretary, (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses, as determined by the Secretary. The set-aside acreage shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, which will assure protection of such acreage from weeds and wind and water erosion; however, the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the set-aside acreage to be devoted to sweet sorghum, hay, and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, oats, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

Land diversion payments.

“(6) The Secretary may make land diversion payments to cooperators, whether or not a set-aside for rice is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of rice to desirable goals. Such land diversion payments shall be made to cooperators on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such cooperators. The amounts payable to cooperators under land diversion contracts may be determined through the submission of bids for such contracts by cooperators in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to

Contracts.

Bids, submittal.

be undertaken by the cooperators and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

“(7) The set-aside acreage and the additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the cooperator agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

“(8) If the operator of the farm desires to participate in the program formulated under this subsection the operator shall file an agreement to do so no later than such date as the Secretary may prescribe. Loans, purchases, and payments under this subsection shall be made available to cooperators on such farm only if such cooperators set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator of the farm agrees to set aside and devote to approved soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the cooperators on the farm, terminate or modify any such agreement entered into pursuant to this subsection if the Secretary determines such action necessary because of any emergency created by drought or other disaster, or in order to alleviate a shortage in the supply of rice.

“(9) 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 this subsection.

“(10) In any case in which the failure of a cooperator to comply fully with the terms and conditions of the program formulated under this subsection precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the default.

“(11) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this subsection.

“(12) The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

“(13) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection.”

#### SUSPENSION OF MARKETING QUOTAS AND OTHER PROVISIONS

SEC. 703. Sections 353, 354, 355, 356, and 377 of the Agricultural Adjustment Act of 1938, as amended, shall not be applicable to the 1978 through 1981 crops of rice.

Consultation.

Payment.

Agreement,  
filing.

Termination or  
modification.

Safeguards.

Regulations.

16 USC 590h.

7 USC 1353 note.  
7 USC 1353-  
1356, 1377.

## DEFINITION OF COOPERATOR

*Ante*, p. 939. SEC. 704. The last proviso in the first sentence of section 408(b) of the Agricultural Act of 1949, as added by section 303 of the Rice Production Act of 1975, is amended by striking out "and 1977" and inserting in lieu thereof "through 1981".

## CONFORMING AMENDMENT

7 USC 1736b. SEC. 705. Section 408(m) of the Agricultural Act of 1949, as added by the Rice Production Act of 1975, to be effective for the 1976 and 1977 crops, shall be effective for the 1978 through 1981 crops, and shall read as follows:

## "REFERENCES TO TERMS MADE APPLICABLE TO RICE

*Post*, p. 956.  
7 USC 1736.  
*Ante*, pp. 927,  
939.  
7 USC 1431.  
*Post*, p. 956.

"(m) References made in sections 402, 403, 406, 407, and 416 to the terms 'support price', 'level of support', and 'level of price support' shall be considered to apply as well to the level of loans and purchases for rice under this Act; and references made to the terms 'price support', 'price support operation', and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for rice under this Act."

## TITLE VIII—PEANUTS

## ANNUAL MARKETING QUOTA AND STATE ACREAGE ALLOTMENT

7 USC 1358.  
7 USC 1358 note.

SEC. 801. Section 358 of the Agricultural Adjustment Act of 1938; as amended, is amended as follows:

(a) Subsections (a) and (e) shall not be applicable to the 1978 through 1981 crops of peanuts.

7 USC 1358. (b) Subsection (c)(1) is amended, effective for the 1978 through 1981 crops of peanuts, by striking out the period at the end of the second sentence and inserting in lieu thereof the following: " : *Provided*, That the peanut acreage allotment for the State of New Mexico shall not be reduced below the 1977 acreage allotment as increased pursuant to subsection (c)(2) of this section."

## NATIONAL ACREAGE ALLOTMENT; NATIONAL POUNDAGE QUOTA; FARM POUNDAGE QUOTA; AND DEFINITIONS

SEC. 802. Effective for the 1978 through 1981 crops of peanuts, section 358 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof new subsections (k) through (p) as follows:

Announcements. "(k) The Secretary shall, not later than December 1 of each year, announce a national acreage allotment for peanuts for the following crop taking into consideration projected domestic use, exports, and a reasonable carryover: *Provided*, That such allotment shall be not less than one million six hundred and fourteen thousand acres.

"(l) The Secretary shall, not later than December 1 of each year, announce a minimum national poundage quota for peanuts for the following marketing year of the following amounts: 1978, 1,680,000 tons; 1979, 1,596,000 tons; 1980, 1,516,000 tons; and 1981, 1,440,000 tons. If the Secretary determines that the minimum national poundage quota for any marketing year is insufficient to meet total estimated



requirements for domestic edible use and a reasonable carryover, the national poundage quota for the marketing year may be increased by the Secretary to the extent determined by the Secretary to be necessary to meet such requirements.

“(m) For each farm for which a farm acreage allotment has been established, a farm yield for peanuts shall be determined. Such yield shall be equal to the average of the actual yield per acre on the farm for each of the three crop years in which yields were highest on the farm out of the five crop years 1973 through 1977: *Provided*, That if peanuts were not produced on the farm in at least three years during such five-year period or there was a substantial change in the operation of the farm during such period (including, but not limited to, a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that amount determined to be fair and reasonable on the basis of yields established for similar farms which are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

Farm yield.

“(n) For each farm, a farm base production poundage shall be established equal to the quantity determined by multiplying the farm peanut acreage allotment by the farm yield determined in accordance with subsection (m) of this section.

Farm base production poundage.

“(o) For each farm, a farm poundage quota shall be established by the Secretary for each marketing year equal to the farm base production poundage multiplied by a factor determined by the Secretary, such that the total of all farm poundage quotas will equal the national poundage quota for such marketing year. The poundage quota so determined, beginning with the 1979 crop for any farm, shall be increased by the number of pounds by which marketings of quota peanuts from the farm during the immediately preceding marketing year were less than the farm poundage quota: *Provided*, That total marketings shall not exceed actual production from the farm acreage allotment: *Provided further*, That the grower must have planted in such preceding marketing year that part of the farm allotment estimated on the basis of the farm yield to be sufficient to produce the total farm poundage quota: *Provided further*, That if the total of all such increases in individual farm poundage quotas exceeds 10 per centum of the national poundage quota for the marketing year, the Secretary shall adjust such increases so that the total of all increases does not exceed 10 per centum of the national poundage quota.

Farm poundage quota.

Limitation.

Adjustment.

“(p) For the purposes of this part and title I of the Agricultural Act of 1949, as amended—

Definitions.  
7 USC 1441.

“(1) ‘quota peanuts’ means, for any marketing year, any peanuts which are eligible for domestic edible use as determined by the Secretary, which are marketed or considered marketed from a farm, and which do not exceed the farm poundage quota of such farm for such year;

“(2) ‘additional peanuts’ means, for any marketing year, any peanuts which are marketed from a farm and which are in excess of the marketings of quota peanuts from such farm for such year but not in excess of the actual production of the farm acreage allotment;

“(3) ‘crushing’ means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts

by crushing or otherwise when authorized by the Secretary; and  
 “(4) ‘domestic edible use’ means use for milling to produce domestic food peanuts and seed and use on a farm.”.

SALE, LEASE, AND TRANSFER OF ACREAGE ALLOTMENT

7 USC 1358a. Sec. 803. Effective for the 1978 through 1981 crops of peanuts, section 358a of the Agricultural Adjustment Act of 1938, as amended, is amended by—

(1) in subsection (a)—

(i) striking out “. if he determines that it will not impair the effective operation of the peanut marketing quota or price support program.”; and

(ii) striking out “may” each place that term appears and inserting “shall” in lieu thereof; and

(2) adding at the end thereof a new subsection (i) as follows:

“(i) Notwithstanding any other provision of this section, transfers shall be on the basis of the farm base production poundage, and the acreage allotment for the receiving farm shall be increased by an amount determined by dividing the number of pounds transferred by the farm yield for the receiving farm, and the acreage allotment for the transferring farm shall be reduced by an amount determined by dividing the number of pounds transferred by the farm yield for the transferring farm.”.

MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS

7 USC 1359. Sec. 804. Effective for the 1978 through 1981 crops of peanuts, section 359 of the Agricultural Adjustment Act of 1938, as amended, is amended by—

(1) striking out in the first sentence of subsection (a) “75 per centum of the support price for” and inserting in lieu thereof “120 per centum of the support price for quota”;

(2) inserting after the first sentence of subsection (a) a new sentence as follows: “The marketing of any additional peanuts from a farm shall be subject to the same penalty unless the peanuts, in accordance with regulations established by the Secretary, are placed under loan at the additional loan rate under the loan program made available under section 108 (b) of the Agricultural Act of 1949 and not redeemed by the producers or are marketed under contracts between handlers and producers pursuant to the provisions of subsection (i) of this section.”;

(3) striking out “normal yield” in subsection (a) and inserting in lieu thereof “farm yield”; and

(4) adding at the end thereof new subsections (f) through (j) as follows:

“(f) Only quota peanuts may be retained for use as seed or for other uses on a farm and when so retained shall be considered as marketings of quota peanuts. Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use. Seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

Penalty.

“(g) Upon a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade,

*Post*, p. 947.

kernel content, and quality of the quota peanuts acquired by such handler from such crop for such marketing, such handler shall be subject to a penalty equal to 120 per centum of the loan level for quota peanuts on the peanuts which the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

“(h) The Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 108(c) of the Agricultural Act of 1949. Quota and additional peanuts of like type and segregation or quality may, under regulations prescribed by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

*Infra.*

“(i) Handlers may, under regulations prescribed by the Secretary, contract with producers for the purchase of additional peanuts for crushing, export, or both. All such contracts shall be completed and submitted to the Secretary (or if designated by the Secretary, the area association) for approval prior to June 15 of the year in which the crop is produced.

Contracts.

“(j) Subject to the provisions of section 407 of the Agricultural Act of 1949, as amended, any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use in accordance with regulations established by the Secretary. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices not less than those required to cover all costs incurred with respect to such peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus (1) 100 per centum of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season upon delivery by the producer, or (2) 105 per centum of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year, or (3) 107 per centum of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year.”

*Ante*, p. 927, 939.

#### REPORTS AND RECORDS

SEC. 805. Effective for the 1978 through 1981 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting immediately before “all brokers and dealers in peanuts” the following: “all farmers engaged in the production of peanuts.”

7 USC 1373.

#### PRESERVATION OF UNUSED ALLOTMENTS

SEC. 806. Effective for the 1978 through 1981 crops of peanuts, section 377 of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting after the words “farm acreage allotment for such year” the following: “or, in the case of peanuts, an acreage sufficient to produce 75 per centum of the farm poundage quota”.

7 USC 1377.

#### PRICE SUPPORT PROGRAM

SEC. 807. Effective for the 1978 through 1981 crops of peanuts, title I of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new section 108 as follows:

“PEANUT PROGRAM

7 USC 1445c.

“SEC. 108. Notwithstanding any other provision of law—

7 USC 1421.

“(a) The Secretary shall make price support available to producers through loans, purchases, or other operations on quota peanuts for each of the 1978 through 1981 crops at such levels as the Secretary finds appropriate, taking into consideration the eight factors specified in section 401(b) of this Act, and any change in the index of prices paid by farmers for production items, interest, taxes, and wage rates during the period beginning January 1 and ending December 31 of the calendar year immediately preceding the marketing year for which the level of support is being determined, but not less than \$420 per ton. The levels of support so announced shall not be reduced by any deductions for inspection, handling, or storage: *Provided*, That the Secretary may make adjustments for location of peanuts and such other adjustments as are authorized by section 403 of this Act.

Adjustments.

7 USC 1423.

“(b) The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1978 through 1981 crops. In determining support levels, the Secretary shall take into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets. The Secretary shall announce the level of support for additional peanuts of each crop not later than February 15 preceding the marketing year for which the level of support is being determined.

Warehouse storage loans.

“(c) (1) In carrying out subsections (a) and (b) of this section, the Secretary may make warehouse storage loans available in each of the three producing areas (described in 7 CFR § 1446.4 (1977)) to a designated area marketing association of peanut producers which is selected and approved by the Secretary and which is operated primarily for the purpose of conducting such loan activities. Such associations may be used in administrative and supervisory activities relating to price support and marketing activities under this section and section 359 of the Agricultural Adjustment Act of 1938, as amended. Such loans shall include, in addition to the price support value of the peanuts, such costs as such association reasonably may incur in carrying out such responsibilities in its operations and activities under this section and section 359 of the Agricultural Adjustment Act of 1938, as amended.

*Ante*, p. 946.

Pools, establishment. Record retention.

“(2) The Secretary may require that each such association establish pools and maintain complete and accurate records by type for quota peanuts handled under loans and for additional peanuts produced without a contract between handler and producer described in section 359(i) of the Agricultural Adjustment Act of 1938. Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed in proportion to the value of the peanuts placed in the pool by each grower. Net gains for peanuts in each pool shall consist of (A) for quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in such pool plus an amount from the pool for additional peanuts to the extent of the net gains from the sale for domestic food and related uses of additional peanuts in the pool for additional peanuts equal to any loss on disposition of all peanuts in the pool for quota peanuts and (B) for additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the

Net gains.

pool for quota peanuts as provided in clause (A) of this paragraph. Notwithstanding any other provision of this subsection, any distribution of net gains on additional peanuts of any type to any producer shall be reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts of a different type placed under loan by such grower.”.

## TITLE IX—SOYBEANS AND SUGAR

### SOYBEAN PRICE SUPPORT

Sec. 901. Effective only with respect to the 1978 through 1981 crops of soybeans, section 201 of the Agricultural Act of 1949, as amended, is amended by— *Ante*, p. 920.

(1) inserting in the first sentence after “tung nuts,” the following: “soybeans,”; and

(2) adding at the end thereof a new subsection (e) as follows:

“(e) The price of the 1978 through 1981 crops of soybeans shall be supported through loans and purchases at such levels as the Secretary determines appropriate in relation to competing commodities and taking into consideration domestic and foreign supply and demand factors: *Provided*, That notwithstanding the provisions of section 1001 of the Food and Agriculture Act of 1977, the Secretary shall not require a set-aside of soybean acreage as a condition of eligibility for price support for any commodity supported under the provisions of this Act.”.

### SUGAR PRICE SUPPORT

Sec. 902. Effective only with respect to the 1977 and 1978 crops of sugar beets and sugar cane, section 201 of the Agricultural Act of 1949, as amended, is amended by—

(1) striking out in the first sentence “honey, and milk” and inserting in lieu thereof the following: “honey, milk, sugar beets, and sugar cane”; and

(2) adding at the end thereof a new subsection (f) as follows:

“(f) (1) The price of the 1977 and 1978 crops of sugar beets and sugar cane, respectively, shall be supported through loans or purchases with respect to the processed products thereof at a level not in excess of 65 per centum nor less than 52.5 per centum of the parity price therefor: *Provided*, That the support level may in no event be less than 13.5 cents per pound raw sugar equivalent. In carrying out the price support program authorized by this subsection, the Secretary shall establish minimum wage rates for agricultural employees engaged in the production of sugar.

Minimum wage rates, establishment.

“(2) Notwithstanding any other provision of law, the Secretary may suspend the operation of the price support program authorized by this subsection whenever the Secretary determines that an international sugar agreement is in effect which assures the maintenance in the United States of a price for sugar not less than 13.5 cents per pound raw sugar equivalent.

Suspension.

“(3) Nothing in this subsection shall affect the authority of the Secretary to establish under any other provision of law a price support program for that portion of the 1977 crop of sugar cane and sugar beets marketed prior to the implementation of the program authorized by this subsection.”.

## TITLE X—MISCELLANEOUS

## SET-ASIDE OF NORMALLY PLANTED ACREAGE

- 7 USC 1309. SEC. 1001. Notwithstanding any other provision of law, whenever a set-aside is in effect for one or more of the 1978 through 1981 crops of wheat, feed grains, upland cotton, and rice, the Secretary of Agriculture may require, as a condition of eligibility for loans, purchases, and payments under the Agricultural Act of 1949, as amended, that the acreage normally planted to crops designated by the Secretary, adjusted as deemed necessary by the Secretary to be fair and equitable among producers, shall be reduced by the acreage of set-aside or diversion.
- 7 USC 1421 note.

## AMERICAN AGRICULTURE PROTECTION PROGRAM

- 7 USC 1310. SEC. 1002. (a) Notwithstanding any other provision of law, whenever the President or any other member of the executive branch of the Federal Government causes to be suspended, based upon a determination of short supply, the commercial export sales of any commodity, as defined in subsection (c) of this section, to any country or area with which the United States otherwise continues commercial trade, the Secretary of Agriculture shall, on the day the suspension is initiated, set the loan level for such commodity under the Agricultural Act of 1949, as amended, if a loan program is in effect for the commodity, at 90 per centum of the parity price for the commodity, as such parity price is determined on the day the suspension is initiated.
- (b) Any loan level established pursuant to subsection (a) of this section shall remain in effect as long as the suspension of commercial export sales described in subsection (a) remains in effect.
- “Commodity.” (c) For purposes of this section, the term “commodity” shall include any of the following: wheat, corn, grain sorghum, soybeans, oats, rye, barley, rice, flaxseed, and cotton.

## BUDGET AMENDMENT

- Price supports.  
7 USC 1447. SEC. 1003. (a) Effective only with respect to the 1978 through 1981 crops, section 301 of the Agricultural Act of 1949 is amended by adding at the end thereof a new sentence as follows: “The Secretary is authorized to make price support available under this title for the 1978 through 1981 crops of flaxseed, dry edible beans, gum naval stores, and in the case of the 1979 through 1981 crops, sugar beets and sugar cane, and for any other nonbasic commodity not designated in title II, except that such authority shall terminate with respect to any commodity, other than those listed in this sentence, at the end of any crop year in which the net outlays for the commodity exceed \$50 million.”
- 7 USC 1446. (b) The amendment made by this section to the Agricultural Act of 1949 shall not be operative in any manner with respect to any price support program in effect on the date of enactment of this Act.

## SPECIAL GRAZING AND HAY PROGRAM

- 7 USC 1445d. SEC. 1004. Title I of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new section 109 as follows:
- “SEC. 109. Notwithstanding any other provision of law—
- (a) The Secretary is authorized to administer a special wheat acreage grazing and hay program (hereinafter in this section referred to as the ‘special program’) in each of the crop years 1978 through 1981.

Under the special program, a producer shall be permitted to designate, under such regulations as established by the Secretary, a portion of the acreage on the farm intended to be planted to wheat, feed grains, or upland cotton for harvest, not in excess of 40 per centum thereof, or 50 acres, whichever is greater, which shall be planted to wheat (or some other commodity other than corn or grain sorghum) and used by the producer for grazing purposes or hay rather than for commercial grain production. A producer who elects to participate in the special program shall receive a payment as provided in subsection (c) of this section.

Acreage,  
designation.

Payment.

“(b) Any producer who elects to participate in the special program under this section shall designate the specific acreage on the farm which is to be used for the purposes set forth in subsection (a) of this section. No crop other than hay may be harvested from acreage included in the special program.

“(c) The Secretary shall pay the producer participating in the special program an amount determined by multiplying the farm program payment yield for wheat established for the farm, by the number of acres included in the special program, by a rate of payment determined by the Secretary to be fair and reasonable. The producer shall not be eligible for any other payment or price support on any portion of the acreage for the farm which the producer elects to include in the special program.

“(d) Acreage included in the special program shall be in addition to any acreage included in any acreage set-aside program otherwise provided for by law.

“(e) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

Regulations.

“(f) The Secretary shall carry out the special program through the Commodity Credit Corporation.”.

#### DAILY RELEASE OF REPORTS OF EXPORT SALES OF AGRICULTURAL COMMODITIES

SEC. 1005. Section 812 of the Agricultural Act of 1970 is amended by inserting immediately after the third sentence thereof a new sentence as follows: “When the Secretary requires that such information be reported by exporters on a daily basis, the information compiled from individual reports shall be made available to the public daily.”.

7 USC 612c-3.

#### FILBERTS

SEC. 1006. Section 8e of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, is amended by inserting after “oranges, onions, walnuts, dates,” the following: “filberts,”.

7 USC 608e-1.

### TITLE XI—GRAIN RESERVES

#### PRODUCER STORAGE PROGRAM FOR WHEAT AND FEED GRAINS

SEC. 1101. Title I of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new section 110 as follows:

#### “PRODUCER STORAGE PROGRAM FOR WHEAT AND FEED GRAINS

“SEC. 110. (a) The Secretary shall formulate and administer a program under which producers of wheat and, in the discretion of the Secretary, producers of feed grains will be able to store wheat and

7 USC 1445e.

- Safeguards.** feed grains when such commodities are in abundant supply and extend the time period for their orderly marketing. The Secretary shall establish safeguards to assure that wheat and feed grains held under the program shall not be utilized in any manner to unduly depress, manipulate, or curtail the free market. The authority provided by this section shall be in addition to other authorities available to the Secretary for carrying out producer loan and storage operations.
- Terms and conditions.** “(b) In carrying out the producer storage program, the Secretary may provide original or extended price support loans for wheat and feed grains at the same level of support as provided by this Act under terms and conditions designed to encourage producers to store wheat and feed grains for extended periods of time in order to promote orderly marketing when wheat or feed grains are in abundant supply. Among such other terms and conditions as the Secretary may prescribe by regulation, the program shall provide for (1) repayment of such loans in not less than three years nor more than five years; (2) payment to producers of such amounts as the Secretary determines appropriate to cover the cost of storing wheat and feed grains held under the program; (3) a rate of interest determined by the Secretary based upon the rate of interest charged the Commodity Credit Corporation by the United States Treasury, except that the Secretary may waive or adjust such interest; (4) recovery of amounts paid for storage, and for the payment of additional interest or other charges in the event such loans are repaid by producers before the market price for wheat or feed grains has reached the price levels specified in clause (5) of this subsection; (5) conditions designed to induce producers to redeem and market the wheat or feed grains securing such loans without regard to the maturity dates thereof whenever the Secretary determines that the market price of wheat has attained a specified level which is not less than 140 per centum nor more than 160 per centum of the then current level of price support for wheat or such appropriate level for feed grains, as determined by the Secretary; and (6) conditions prescribed by the Secretary under which the Secretary may require producers to repay such loans, plus accrued interest thereon, refund amounts paid for storage, and pay such additional interest and other charges as may be required by regulation, whenever the Secretary determines that the market price for the commodity is not less than 175 per centum of the then current level of price support for wheat or such appropriate level for feed grains as determined by the Secretary under this Act.
- Waiver.** “(c) The Secretary shall announce the terms and conditions of the producer storage program as far in advance of making loans as practicable. In such announcement, the Secretary shall specify the quantity of wheat or feed grains to be stored under the program which the Secretary determines appropriate to promote the orderly marketing of such commodities. The quantity of wheat shall not be less than three hundred million bushels nor more than seven hundred million bushels: *Provided*, That such maximum amount may be adjusted by the Secretary as necessary to meet such commitments as may be assumed by the United States pursuant to an international agreement containing provisions relating to grain reserves.
- Announcement.** “(d) Notwithstanding any other provision of law, whenever the extended loan program authorized by this section is in effect, the Commodity Credit Corporation may not sell any of its stocks of wheat or feed grains at less than 150 per centum of the then current level of price support for such commodity: *Provided*, That such restriction shall not apply to—
- Restriction.**



“(1) sales of such commodities which have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage; and

“(2) sales or other disposals of such commodities under (A) the fifth and sixth sentences of section 407 of this Act; (B) the Act of September 21, 1959 (73 Stat. 574, as amended; 7 U.S.C. 1427 note), and (C) section 813 of the Agricultural Act of 1970.

“(e) The Secretary may, with the concurrence of the owner of grain stored under the program authorized by this section, reconcentrate all such grain stored in commercial warehouses at such points as the Secretary deems to be in the public interest, taking into account such factors as transportation and normal marketing patterns. The Secretary shall permit rotation of stocks and facilitate maintenance of quality under regulations which assure that the holding producer or warehouseman shall, at all times, have available for delivery at the designated place of storage both the quantity and quality of grain covered by his commitment.

“(f) Whenever grain is stored under the provisions of this section, the Secretary may buy and sell at an equivalent price, allowing for the customary location and grade differentials, substantially equivalent quantities of grain in different locations or warehouses to the extent needed to properly handle, rotate, distribute, and locate such commodities which the Commodity Credit Corporation owns or controls. Such purchases to offset sales shall be made within two market days following the sales. The Secretary shall make a daily list available showing the price, location, and quantity of the transactions.

“(g) The Secretary shall use the Commodity Credit Corporation, to the extent feasible, to fulfill the purposes of this section. In addition, to the maximum extent practicable consistent with the fulfillment of the purposes of this section and the effective and efficient administration of this section, the Secretary shall utilize the usual and customary channels, facilities, and arrangements of trade and commerce.”

7 USC 1427.  
*Ante*, p. 927.

*Infra*.

Grain  
reconcentration.

Purchases.

Daily list.

#### INTERNATIONAL EMERGENCY FOOD RESERVE

SEC. 1102. Title I of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new section 111 as follows:

#### “INTERNATIONAL EMERGENCY FOOD RESERVE

“SEC. 111. The President is encouraged to enter into negotiations with other nations to develop an international system of food reserves to provide for humanitarian food relief needs and to establish and maintain a food reserve, as a contribution of the United States toward the development of such a system, to be made available in the event of food emergencies in foreign countries. The reserves shall be known as the International Emergency Food Reserve.”

Negotiations.  
Reserve system,  
establishment.  
7 USC 1445f.

#### DISASTER RESERVE

SEC. 1103. Section 813 of the Agricultural Act of 1970, as added by the Agriculture and Consumer Protection Act of 1973, is amended as follows:

(a) Subsection (b) is amended to read as follows:

“(b) The Secretary shall acquire such commodities through the price support program. However, if the Secretary determines that no wheat, feed grains, or soybeans are available through the price support pro-

7 USC 1427a.

Commodity  
acquisition.

gram at locations where they may be economically utilized to alleviate distress caused by a natural disaster, the Secretary is authorized to purchase through the facilities of the Commodity Credit Corporation such wheat, feed grains, soybeans, hay, or other livestock forages as the Secretary deems necessary for disposition in accordance with the authority provided in subsection (d) of this section. The Secretary may acquire wheat, feed grains, soybeans, hay, or other livestock forages at such locations, at such times, and in such quantities as the Secretary finds necessary and appropriate and may pay such transportation and other costs as may be required to permit disposition of such wheat, feed grains, soybeans, hay, and other livestock forages under subsection (d) of this section.”

Commodity  
disposition.

(b) Subsection (d) is amended to read as follows:

“(d) The Secretary is also authorized to dispose of such commodities only for (1) use in relieving distress (A) in any State, the District of Columbia, Puerto Rico, Guam, or the Virgin Islands of the United States, (B) in connection with any major disaster or emergency determined by the President to warrant assistance by the Federal Government under the Disaster Relief Act of 1974 (88 Stat. 143, as amended; 42 U.S.C. 5121), and (C) in connection with any emergency determined by the Secretary to warrant assistance under section 407 of the Agricultural Act of 1949 (63 Stat. 1055, as amended; 7 U.S.C. 1427), the Act of September 21, 1959 (73 Stat. 574, as amended; 7 U.S.C. 1427 note), or section 1105 of the Food and Agriculture Act of 1977; or (2) use in connection with a state of civil defense emergency as proclaimed by the President or by concurrent resolution of the Congress in accordance with the provisions of the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2251-2297).”

Ante, pp. 927,  
939.

#### FARM STORAGE FACILITY LOANS

Limitations.

SEC. 1104. Effective only with respect to the fiscal years beginning October 1, 1977, and ending September 30, 1981, section 4(h) of the Commodity Credit Corporation Charter Act (62 Stat. 1070, as amended; 15 U.S.C. 714b(h)) is amended by inserting immediately before the period at the end of the second sentence the following: “: *And provided further*, That to encourage the storage of dry or high moisture grain, soybeans, and rice, and high moisture forage and silage on farms, where the commodities can be stored at the lowest cost, the Corporation shall—during the period beginning October 1, 1977, and ending September 30, 1981—make secured storage facility loans not to exceed \$50,000 to growers of such commodities in amounts not less than 75 per centum of the total construction cost of such facility, including but not limited to the cost of structural and equipment foundations, electrical systems, grain handling systems, drying equipment, and site preparation, or, in the discretion of the Corporation, such loans may be made in such amounts not to exceed \$50,000 to cover remodeling costs of existing storage facilities, as are set forth in regulations issued by the Secretary; the size of such facility for which a loan is obtained shall be based upon the amount of space required to store the quantity of the commodity estimated to be produced by the borrower during a two-year period; such loans shall be for a period not to exceed ten years at an interest rate based upon the rate of interest charged the Corporation by the United States Treasury; and the loans shall be deducted from the proceeds of price support loans or purchase agreements made between the Corporation and the growers”.

## EMERGENCY FEED PROGRAM

SEC. 1105. (a) Notwithstanding any other provision of law, the Secretary of Agriculture may implement an emergency feed program for assistance in the preservation and maintenance of livestock in any area of the United States, including Puerto Rico, Guam, and the Virgin Islands of the United States, where, because of flood, drought, fire, hurricane, earthquake, storm, or other natural disaster, the Secretary determines that an emergency exists. 7 USC 2267.

(b) The Secretary shall not provide assistance under this section to any person unless all of the following conditions created by the emergency are present: Conditions.

(1) The person has suffered a substantial loss in the livestock feed normally produced on the farm for such person's livestock;

(2) The person does not have sufficient feed for such person's livestock for the estimated period of the emergency; and

(3) The person is required to make feed purchases during the period of the emergency in quantities larger than such person would normally make.

(c) Persons eligible for assistance under the program formulated under this section may be reimbursed for not to exceed 50 per centum of the cost of the feed purchased by such eligible persons during the period of emergency, as announced by the Secretary of Agriculture, or at such lower rate as may be established by the Secretary.

(d) Any person who disposes of any feed for which such person is reimbursed under this section, in any manner other than as authorized by the Secretary, shall be subject to a penalty equal to the market value of the feed involved, to be recovered by the Secretary in a civil suit brought for that purpose. In addition, such person shall be subject to a fine of not more than \$10,000, or imprisonment for not more than one year, or both. Penalty.

(e) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this section. Regulations.

(f) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

(g) Notwithstanding any other provision of law, the Secretary shall not delegate the authority to administer the emergency feed program to any other department, agency, or entity, public or private.

## TITLE XII—PUBLIC LAW 480

## AUTHORITY FOR THE COMMODITY CREDIT CORPORATION TO ACT AS PURCHASING OR SHIPPING AGENT UNDER TITLE I

SEC. 1201. Section 102 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by inserting immediately before the period at the end thereof the following: "and, when requested by the purchaser of such commodities, may serve as the purchasing or shipping agent, or both, in arranging the purchasing or shipping of such commodities". 7 USC 1702.

## TITLE I SALES PROCEDURES

SEC. 1202. Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by adding at the end thereof a new section 115 as follows:

Bids.  
7 USC 1715.

“SEC. 115. (a) No purchases of food commodities shall be financed under this title unless they are made on the basis of an invitation for bid publicly advertised in the United States and on the basis of bid offerings which shall conform to such invitation and shall be received and publicly opened in the United States. All awards in the purchase of commodities financed under this title shall be consistent with open, competitive, and responsive bid procedures, as determined by the Secretary of Agriculture. Commissions, fees, or other payments to any selling agent shall— unless waived by the Secretary—be prohibited in any purchase of food commodities financed under this title.

Payment, reports  
to Secretary.

“(b) Notwithstanding any other provision of law, any commission, fee, or other compensation of any kind paid or to be paid by any supplier of a commodity or ocean transportation financed by the Commodity Credit Corporation under this title, to any agents, brokers, or other representatives of the importer or importing country, including a corporation owned or controlled by the importer or the government of the importing country, shall be reported to the Secretary of Agriculture by the supplier of the commodity or ocean transportation. The report shall identify the person or entity to whom the payment is made and the transaction in connection with which the payment is made. The Secretary shall maintain such information for public inspection, publish a report thereof annually, and forward a copy of the report to the Committee on Agriculture and the Committee on International Relations of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate. Any supplier of a commodity or ocean transportation who fails to file such a report or who files a false report shall be ineligible to furnish—directly or indirectly—commodities or ocean transportation financed under this title for a period of five years.”

Information,  
availability to  
public.  
Publication.  
Transmittal to  
congressional  
committees.  
Penalty.

#### INCREASED APPROPRIATION LIMIT FOR TITLE II

7 USC 1724. SEC. 1203. Section 204 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by striking out “\$600,000,000” in the first sentence and inserting in lieu thereof “\$750,000,000”.

#### AVAILABILITY OF COMMODITIES

7 USC 1731. SEC. 1204. Section 401(a) of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by striking out the period at the end of the last sentence and inserting in lieu thereof a comma and the following: “unless the Secretary of Agriculture determines that some part of the supply thereof should be used to carry out urgent humanitarian purposes of this Act.”

#### FINANCING THE SALE OF FOOD AND FIBER COMMODITIES

7 USC 1732. SEC. 1205. Section 402 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by adding at the end thereof a new sentence as follows: “In the allocation of funds made available under title I of this Act, priority shall be given to financing the sale of food and fiber commodities.”

#### VALUATION OF COMMODITIES ACQUIRED THROUGH PRICE SUPPORT PROGRAMS

7 USC 1733. SEC. 1206. Section 403 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by—  
(1) inserting “(a)” immediately after the section designation;  
and

(2) adding at the end thereof a new subsection (b) as follows:

“(b) Notwithstanding any other provision of law, in determining the reimbursement due the Commodity Credit Corporation for all costs incurred under this Act, commodities from the Commodity Credit Corporation inventory, which were acquired under a domestic price support program, shall be valued at the export market price therefor, as determined by the Secretary of Agriculture, as of the time the commodity is made available under this Act.”

#### REVISED REGULATIONS GOVERNING OPERATIONS; BAGGED COMMODITIES

SEC. 1207. Section 408 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by adding at the end thereof new subsections (d) and (e) as follows: 7 USC 1736b.

“(d) (1) Not later than six months following the date of enactment of this subsection, and at each two-year interval thereafter, the Secretary of Agriculture shall issue revised regulations governing all operations under title I of this Act, including operations relating to purchasing countries, suppliers of commodities or ships, and purchasing or shipping agents. The regulations shall include, but not be limited to, prohibitions against conflicts of interest, as determined by the Secretary, between (A) recipient countries (or other purchasing entities) and their agents, (B) suppliers of commodities, (C) suppliers of ships, and (D) other shipping interests.

“(2) The regulations shall be designed to encourage an increase in the number of exporters participating in the program.

“(3) All revised regulations governing operations under title I and title III of this Act shall be transmitted to Congress by the Secretary as soon as practicable after their issuance. Transmittal to Congress. 7 USC 1701, 1427.

“(e) Bagged commodities for the purpose of financing by the Commodity Credit Corporation under this Act may, subject to regulations issued by the Secretary of Agriculture, be considered ‘exported’ upon delivery at port, and upon presentation of a dock receipt in lieu of an on-board bill of lading.”

#### EXTENSION OF THE PROGRAM

SEC. 1208. Section 409 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by striking out “1977.” and inserting in lieu thereof the following: “1981. New spending authority provided for title I of this Act by the amendment to this section made by the Food and Agriculture Act of 1977 shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.” 7 USC 1736c.

#### USE OF NONPRICE-SUPPORTED COMMODITIES UNDER PUBLIC LAW 480

SEC. 1209. It is the sense of Congress that there be no discrimination between “price-supported” and “nonprice-supported” commodities in the programing of commodities under the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480). 7 USC 1691 note.

#### SPECIAL TASK FORCE ON THE OPERATION OF PUBLIC LAW 480

SEC. 1210. (a) It is the sense of Congress that attention be given to handling, storage, transportation, and administrative procedures in order to make improvements in the operation of the Agricultural 7 USC 1691 note.

7 USC 1691 *et seq.*  
Appointment.  
Review and report.

Trade Development and Assistance Act of 1954, as amended (Public Law 480). Toward this objective, the Secretary of Agriculture shall appoint a special task force to review and report upon the administration of the Act.

(b) Such review shall include, but not be limited to, organizational arrangements for the administration of Public Law 480, or parts thereof, title I allocation criteria and procedures, quality control, including handling and storage through the first stage of distribution in the recipient country, and regulation of businesses and organizations to which services are contracted under Public Law 480.

Report to Congress.  
Legislative recommendations.

(c) Not later than eighteen months following enactment of this Act, the Secretary of Agriculture shall transmit to Congress the report of such task force, along with administrative actions the Secretary has taken or intends to take as a result of such report, and recommendations, if any, for legislative changes.

## TITLE XIII—FOOD STAMP AND COMMODITY DISTRIBUTION PROGRAMS

### FOOD STAMP ACT OF 1964 AMENDMENTS

Effective date.  
7 USC 2011 note.

SEC. 1301. Effective October 1, 1977, the Food Stamp Act of 1964, as amended, is amended to read as follows:

#### “SHORT TITLE

Food Stamp Act of 1977.  
7 USC 2011 note.

“SECTION 1. This Act may be cited as the ‘Food Stamp Act of 1977’.

#### “DECLARATION OF POLICY

7 USC 2011.

“SEC. 2. It is hereby declared to be the policy of Congress, in order to promote the general welfare, to safeguard the health and well-being of the Nation’s population by raising levels of nutrition among low-income households. Congress hereby finds that the limited food purchasing power of low-income households contributes to hunger and malnutrition among members of such households. Congress further finds that increased utilization of food in establishing and maintaining adequate national levels of nutrition will promote the distribution in a beneficial manner of the Nation’s agricultural abundance and will strengthen the Nation’s agricultural economy, as well as result in more orderly marketing and distribution of foods. To alleviate such hunger and malnutrition, a food stamp program is herein authorized which will permit low-income households to obtain a more nutritious diet through normal channels of trade by increasing food purchasing power for all eligible households who apply for participation.

#### “DEFINITIONS

7 USC 2012.

“SEC. 3. As used in this Act, the term:

“(a) ‘Allotment’ means the total value of coupons a household is authorized to receive during each month.

“(b) ‘Authorization card’ means the document issued by the State agency to an eligible household which shows the allotment the household is entitled to be issued.

“(c) ‘Certification period’ means the period for which households shall be eligible to receive authorization cards. In the case of a household all of whose members are included in a federally aided public

assistance or general assistance grant, the period shall coincide with the period of such grant. In the case of all other households the period shall be not less than three months: *Provided*, That such period may be up to twelve months for any household consisting entirely of unemployed or elderly or primarily self-employed persons, or as short as circumstances require for those households as to which there is a substantial likelihood of frequent changes in income or household status, and for any household on initial certification, as determined by the Secretary.

“(d) ‘Coupon’ means any coupon, stamp, or type of certificate issued pursuant to the provisions of this Act.

“(e) ‘Coupon issuer’ means any office of the State agency or any person, partnership, corporation, organization, political subdivision, or other entity with which a State agency has contracted for, or to which it has delegated functional responsibility in connection with, the issuance of coupons to households.

“(f) ‘Drug addiction or alcoholic treatment and rehabilitation program’ means any such program conducted by a private nonprofit organization or institution which is certified by the State agency or agencies designated by the Governor as responsible for the administration of the State’s programs for alcoholics and drug addicts pursuant to Public Law 91-616 (Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970) and Public Law 92-255 (Drug Abuse Office and Treatment Act of 1972) as providing treatment that can lead to the rehabilitation of drug addicts or alcoholics.

42 USC 4551  
note.  
21 USC 1101  
note.

“(g) ‘Food’ means (1) any food or food product for home consumption except alcoholic beverages, tobacco, and hot foods or hot food products ready for immediate consumption other than those authorized pursuant to clauses (3), (4), and (5) of this subsection. (2) seeds and plants for use in gardens to produce food for the personal consumption of the eligible household. (3) in the case of those persons who are sixty years of age or over or who receive supplemental security income benefits under title XVI of the Social Security Act, and their spouses, meals prepared by and served in senior citizens’ centers, apartment buildings occupied primarily by such persons, public or private nonprofit establishments (eating or otherwise) that feed such persons, private establishments that contract with the appropriate agency of the State to offer meals for such persons at concessional prices, and meals prepared for and served to residents of federally subsidized housing for the elderly, (4) in the case of persons sixty years of age or over and persons who are physically or mentally handicapped or otherwise so disabled that they are unable adequately to prepare all of their meals, meals prepared for and delivered to them (and their spouses) at their home by a public or private nonprofit organization or by a private establishment that contracts with the appropriate State agency to perform such services at concessional prices, (5) in the case of narcotics addicts or alcoholics served by drug addiction or alcoholic treatment and rehabilitation programs, meals prepared and served under such programs, and (6) in the case of certain eligible households living in Alaska, equipment for procuring food by hunting and fishing, such as nets, hooks, rods, harpoons, and knives (but not equipment for purposes of transportation, clothing, or shelter, and not firearms, ammunition, and explosives) if the Secretary determines that such households are located in an area of the State where it is extremely difficult to reach stores selling food and that such households depend to a substantial extent upon hunting and fishing for subsistence.

42 USC 1381.

“(h) ‘Food stamp program’ means the program operated pursuant to the provisions of this Act.

“(i) ‘Household’ means (1) an individual who lives alone or who, while living with others, customarily purchases food and prepares meals for home consumption separate and apart from the others, or else pays compensation to the others for such meals, or (2) a group of individuals who live together and customarily purchase food and prepare meals together for home consumption or else live with others and pay compensation to the others for such meals. In neither event shall any individual or group of individuals constitute a household if they reside in an institution or boarding house. For the purposes of this subsection, residents of federally subsidized housing for the elderly and narcotics addicts or alcoholics who live under the supervision of a private nonprofit institution for the purpose of regular participation in a drug or alcoholic treatment program shall not be considered residents of institutions.

“(j) ‘Reservation’ means the geographically defined area or areas over which a tribal organization (as that term is defined in section 3(p) of this Act) exercises governmental jurisdiction.

“(k) ‘Retail food store’ means (1) an establishment or recognized department thereof or house-to-house trade route, over 50 per centum of whose food sales volume consists of staple food items for home preparation and consumption, such as meat, poultry, fish, bread, cereals, vegetables, fruits, dairy products, and the like, but not including accessory food items, such as coffee, tea, cocoa, carbonated and uncarbonated drinks, candy, condiments, and spices, (2) an establishment, organization or program referred to in subsections (g) (3), (4), and (5) of this section, (3) a store purveying the hunting and fishing equipment described in subsection (g) (6) of this section, and (4) any private nonprofit cooperative food purchasing venture, including those in which the members pay for food purchased prior to the receipt of such food.

“(l) ‘Secretary’ means the Secretary of Agriculture.

“(m) ‘State’ means the fifty States, the District of Columbia, Guam, Puerto Rico, the Virgin Islands of the United States, and the reservations of an Indian tribe whose tribal organization meets the requirements of this Act for participation as a State agency.

“(n) ‘State agency’ means (1) the agency of State government, including the local offices thereof, which has the responsibility for the administration of the federally aided public assistance programs within such State, and in those States where such assistance programs are operated on a decentralized basis, the term shall include the counterpart local agencies administering such programs, and (2) the tribal organization of an Indian tribe determined by the Secretary to be capable of effectively administering a food distribution program under section 4(b) of this Act or a food stamp program under section 11(d) of this Act.

“(o) ‘Thrifty food plan’ means the diet required to feed a family of four persons consisting of a man and a woman twenty through fifty-four, a child six through eight, and a child nine through eleven years of age, determined in accordance with the Secretary’s calculations. The cost of such diet shall be the basis for uniform allotments for all households regardless of their actual composition, except that the Secretary shall (1) make household-size adjustments taking into account economies of scale, (2) make cost adjustments in the thrifty food plan for Alaska and Hawaii to reflect the cost of food in those States, (3) make cost adjustments in the separate thrifty food plans for Guam, Puerto



Rico, and the Virgin Islands of the United States to reflect the cost of food in those States, but not to exceed the cost of food in the fifty States and the District of Columbia, and (4) adjust the cost of such diet every January 1 and July 1 to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the six months ending the preceding September 30 and March 31, respectively.

“(p) ‘Tribal organization’ means the recognized governing body of an Indian tribe (including the tribally recognized intertribal organization of such tribes), as the term ‘Indian tribe’ is defined in the Indian Self-Determination Act (25 U.S.C. 450b(b)), as well as any Indian tribe, band, or community holding a treaty with a State government.

25 USC 450f  
note.

#### “ESTABLISHMENT OF THE FOOD STAMP PROGRAM

“SEC. 4. (a) Subject to the availability of funds appropriated under section 18 of this Act, the Secretary is authorized to formulate and administer a food stamp program under which, at the request of the State agency, eligible households within the State shall be provided an opportunity to obtain a more nutritious diet through the issuance to them of an allotment. The coupons so received by such households shall be used only to purchase food from retail food stores which have been approved for participation in the food stamp program. Coupons issued and used as provided in this Act shall be redeemable at face value by the Secretary through the facilities of the Treasury of the United States.

Administration.  
7 USC 2013.

Coupons.

“(b) In jurisdictions where the food stamp program is in operation, there shall be no distribution of federally donated foods to households under the authority of any law, except that distribution may be made (1) on a temporary basis under programs authorized by law to meet disaster relief needs, or (2) for the purpose of the commodity supplemental food program. Distribution of commodities, with or without the food stamp program, shall also be made whenever a request for concurrent or separate food program operations, respectively, is made by a tribal organization. In the event of distribution on all or part of an Indian reservation, the appropriate agency of the State government in the area involved shall be responsible for such distribution, except that, if the Secretary determines that the tribal organization is capable of effectively and efficiently administering such distribution, then such tribal organizations shall administer such distribution: *Provided*, That the Secretary shall not approve any plan for such distribution which permits any household on any Indian reservation to participate simultaneously in the food stamp program and the distribution of federally donated foods. The Secretary is authorized to pay such amounts for administrative costs of such distribution on Indian reservations as the Secretary finds necessary for effective administration of such distribution by a State agency or tribal organization.

Distribution of  
food.

Request by tribal  
organization.

Administrative  
costs.

“(c) The Secretary shall issue such regulations consistent with this Act as the Secretary deems necessary or appropriate for the effective and efficient administration of the food stamp program and shall promulgate all such regulations in accordance with the procedures set forth in section 553 of title 5 of the United States Code. In addition, prior to issuing any regulation, the Secretary shall provide the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a copy of the regulation with a detailed statement justifying it.

Regulations.

Statement,  
transmittal to  
congressional  
committees.

## “ELIGIBLE HOUSEHOLDS

7 USC 2014.

“SEC. 5. (a) Participation in the food stamp program shall be limited to those households whose incomes and other financial resources, held singly or in joint ownership, are determined to be a substantial limiting factor in permitting them to obtain a more nutritious diet. Assistance under this program shall be furnished to all eligible households who make application for such participation.

Standards.

“(b) The Secretary shall establish uniform national standards of eligibility (other than the income standards for Alaska, Hawaii, Guam, Puerto Rico, and the Virgin Islands of the United States established in accordance with subsections (c) and (e) of this section) for participation by households in the food stamp program in accordance with the provisions of this section. No plan of operation submitted by a State agency shall be approved unless the standards of eligibility meet those established by the Secretary, and no State agency shall impose any other standards of eligibility as a condition for participating in the program.

State plans.

Income standards, guidelines.

“(c) The income standards of eligibility shall be the nonfarm income poverty guidelines prescribed by the Office of Management and Budget adjusted annually pursuant to section 625 of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2971d), for the forty-eight States and the District of Columbia, Alaska, Hawaii, Puerto Rico, the Virgin Islands of the United States, and Guam, respectively: *Provided*, That in no event shall the standards of eligibility for Puerto Rico, the Virgin Islands of the United States, or Guam exceed those in the forty-eight contiguous States: *Provided further*, That the income poverty guidelines for the period commencing July 1, 1978, shall be made as up to date as possible by multiplying the income poverty guidelines for 1977 by the change between the average 1977 Consumer Price Index and the Consumer Price Index for March 1978, utilizing the most current procedures which have been used by the Office of Management and Budget, and the income poverty guidelines for future periods shall be similarly adjusted.

“(d) Household income for purposes of the food stamp program shall include all income from whatever source excluding only (1) any gain or benefit which is not in the form of money payable directly to a household, (2) any income in the certification period which is received too infrequently or irregularly to be reasonably anticipated, but not in excess of \$30 in a quarter, (3) all educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like to the extent that they are used for tuition and mandatory school fees at an institution of higher education or school for the handicapped, (4) all loans other than educational loans on which repayment is deferred, (5) reimbursements which do not exceed expenses actually incurred and which do not represent a gain or benefit to the household, (6) moneys received and used for the care and maintenance of a third-party beneficiary who is not a household member, (7) income earned by a child who is a member of the household, who is a student, and who has not attained his eighteenth birthday, (8) moneys received in the form of nonrecurring lump-sum payments, including, but not limited to, income tax refunds, rebates, or credits, retroactive lump-sum social security or railroad retirement pension payments and retroactive lump-sum insurance settlements: *Provided*, That such payments shall be counted as resources, unless specifically excluded by other laws, (9) the cost of producing self-employed income, and (10) any income that any other law specifically excludes from consideration as income for the purpose of determining eligibility for the food stamp program.

“(e) In computing household income, the Secretary shall allow a standard deduction of \$60 a month for each household, except that households in Alaska, Hawaii, Guam, Puerto Rico, and the Virgin Islands of the United States shall be allowed a standard deduction determined by the Secretary in accordance with the best available information on the relationship of actual or potential itemized deductions claimed under the food stamp program in those areas to such deductions in the forty-eight contiguous States and the District of Columbia. Such standard deductions, starting July 1, 1978, shall be adjusted every July 1 and January 1 to the nearest \$5 to reflect changes in the Consumer Price Index of the Bureau of Labor Statistics for items other than food for the six months ending the preceding March 31 and September 30, respectively. All households with earned income shall be allowed an additional deduction of 20 per centum of all earned income (other than that excluded by subsection (d) of this section), to compensate for taxes, other mandatory deductions from salary, and work expenses. Households shall also be entitled to (1) a dependent care deduction, the maximum allowable level of which shall be the same as that for the excess shelter expense deduction contained in clause (2) of this subsection, for the actual cost of payments necessary for the care of a dependent, regardless of the dependent’s age, when such care enables a household member to accept or continue employment, or training or education which is preparatory for employment, or (2) an excess shelter expense deduction to the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 per centum of monthly household income after all other applicable deductions have been allowed: *Provided*, That the amount of such excess shelter expense deduction shall not exceed \$75 a month in the forty-eight contiguous States and the District of Columbia, and shall not exceed, in Alaska, Hawaii, Guam, Puerto Rico, and the Virgin Islands of the United States, amounts determined by the Secretary in accordance with the best available information on the relationship of the actual shelter costs in those areas to such costs in the forty-eight contiguous States and the District of Columbia, adjusted annually (commencing July 1, 1978) to the nearest \$5 increment to reflect changes in the shelter, fuel, and utilities components of housing costs in the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor for the twelve-month period ending the preceding March 31, or (3) a deduction combining the dependent care and excess shelter expense deductions under clauses (1) and (2) of this subsection, the maximum allowable level of which shall not exceed the maximum allowable deduction under clause (2) of this subsection.

Standard deduction, allowance.

Adjustment.

Additional deductions.

Limitation.

“(f) Household income shall be calculated by the State agency for the purpose of determining household eligibility. The State agency in calculating household income shall take into account the income reasonably anticipated to be received by the household in the certification period for which eligibility is being determined and the income which has been received by the household during the thirty days preceding the filing of its application for food stamps so that the State agency may reasonably ascertain the income that is and will be actually available to the household for the certification period, except that for (1) those households which by contract for other than an hourly or piecework basis, or by self-employment, derive their annual income in a period of time shorter than one year, income shall be calculated by being averaged over a twelve-month period and (2) those

Calculation by State agency.

households which receive nonexcluded income of the type specified in subsection (d)(3) of this section, income shall be calculated by being averaged over the period for which it is provided.

Financial  
resources,  
allowances.

“(g) The Secretary shall prescribe the types and allowable amounts of financial resources (liquid and nonliquid assets) an eligible household may own, and shall, in so doing, assure that a household otherwise eligible to participate in the food stamp program will not be eligible to participate if its resources exceed \$1,750, 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. The Secretary shall, in prescribing inclusions in, and exclusions from, financial resources, follow the regulations in force as of June 1, 1977, and shall, in addition, (1) include in financial resources any boats, snowmobiles, and airplanes used for recreational purposes, any vacation homes, any mobile homes used primarily for vacation purposes, and any licensed vehicle (other than one used to produce earned income) used for household transportation or used to obtain or continue employment or to transport disabled household members to the extent that the fair market value of any such vehicle exceeds \$4,500, and (2) study and develop means of improving the effectiveness of these resource requirements in limiting participation to households in need of food assistance, and implement and report the results of such study and the Secretary’s plans to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate no later than June 1, 1978.

Study, report to  
congressional  
committees.

Emergency  
standards.  
42 USC 5142.

“(h)(1) The Secretary shall, after consultation with the official empowered to exercise the authority provided for by section 302(a) of the Disaster Relief Act of 1974, establish temporary emergency standards of eligibility for the duration of the emergency for households who are victims of a disaster which disrupts commercial channels of food distribution, if such households are in need of temporary food assistance and if commercial channels of food distribution have again become available to meet the temporary food needs of such households. Such standards as are prescribed for individual emergencies may be promulgated without regard to section 4(c) of this Act or the procedures set forth in section 553 of title 5 of the United States Code.

Food Stamp  
Disaster Task  
Force.  
Establishment.

“(2) The Secretary shall establish a Food Stamp Disaster Task Force, to assist States in implementing and operating the disaster program, which shall be available to go into a disaster area and provide direct assistance to State and local officials.

#### “ELIGIBILITY DISQUALIFICATIONS

7 USC 2015.

“SEC. 6. (a) In addition to meeting the standards of eligibility prescribed in section 5 of this Act, households and individuals who are members of eligible households must also meet and comply with the specific requirements of this section to be eligible for participation in the food stamp program.

“(b) No individual who is a member of a household otherwise eligible to participate in the food stamp program shall be eligible to participate for (1) three months after such individual has been found by a State agency after notice and hearing at the State level, or after failure to appeal a local hearing to the State level, to have fraudulently used, presented, transferred, acquired, received, possessed, or altered coupons or authorization cards, or (2) a period of not less than six and not more than twenty-four months, as determined by the court, after

such individual has been found by a court of appropriate jurisdiction, with a State or a political subdivision thereof or the United States as prosecutor or plaintiff, to have been criminally or civilly fraudulent in the use, presentation, transfer, acquisition, receipt, possession, or alteration of coupons or authorization cards, or (3) both of the periods specified in clauses (1) and (2) of this subsection. Each such period of ineligibility is to take effect immediately upon the relevant administrative or judicial finding and to remain in effect, without possibility of administrative stay, unless and until the finding of fraud is subsequently reversed by a court of appropriate jurisdiction, but in no event shall the period of disqualification be subject to judicial review.

“(c) No household shall be eligible to participate in the food stamp program if it refuses to cooperate in providing information to the State agency that is necessary for making a determination of its eligibility or for completing any subsequent review of its eligibility. Every household that is participating in the food stamp program shall report or cause to be reported to the State agency, on a form designed or approved by the Secretary (that shall contain a description in understandable terms in prominent and boldface lettering of the appropriate civil and criminal provisions dealing with violations of this Act, including the penalties therefor, by members of an eligible household) changes in income or household circumstances which the Secretary deems necessary in order to assure accurate eligibility and benefit determinations. The reporting requirement prescribed by this subsection shall be the sole such requirement for reporting changes in income or in household circumstances for participating households.

Changes, report  
to State agency.

“(d) (1) Unless otherwise exempted by the provisions of paragraph (d) (2) of this subsection, no household shall be eligible for assistance under this Act if it includes a physically and mentally fit person between the ages of eighteen and sixty who (i) refuses at the time of application and once every six months thereafter to register for employment in a manner determined by the Secretary; (ii) refuses to fulfill whatever reasonable reporting and inquiry about employment requirements as are prescribed by the Secretary; (iii) is head of the household and voluntarily quits any job without good cause, unless the household was certified for benefits under this Act immediately prior to such unemployment: *Provided*, That the period of ineligibility shall be sixty days from the time of the voluntary quit; or (iv) refuses without good cause to accept an offer of employment at a wage not less than the higher of either the applicable State or Federal minimum wage, or 80 per centum of the wage that would have governed had the minimum hourly rate under the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 206(a)(1)), been applicable to the offer of employment, and at a site or plant not then subject to a strike or lockout.

“(2) A person who otherwise would be required to comply with the requirements of paragraph (1) of this subsection shall be exempt from such requirements if he or she is (A) currently subject to and complying with a work registration requirement under title IV of the Social Security Act, as amended (42 U.S.C. 602), or the Federal-State unemployment compensation system; (B) a parent or other member of a household with responsibility for the care of a dependent child under age twelve or of an incapacitated person; (C) a parent or other caretaker of a child in a household where there is another able-bodied parent who is subject to the requirements of this subsection; (D) a bona fide student enrolled at least half time in

Exemptions.

any recognized school, training program, or institution of higher education (except that any such person shall be subject to the requirements of paragraph (1) of this subsection during any period of more than thirty days when such school or program is in vacation or recess and any such person enrolled in an institution of higher education shall be subject to the requirements of subsection (e) (3) (B) of this section as well); (E) a regular participant in a drug addiction or alcoholic treatment and rehabilitation program; or (F) employed a minimum of thirty hours per week or receiving weekly earnings which equal the minimum hourly rate under the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 206(a)(1)), multiplied by thirty hours.

“(3) To the extent that a State employment service is assigned responsibility for administering the provisions of subsection (d) of this section, it shall comply with regulations issued jointly by the Secretary and the Secretary of Labor, which regulations shall be patterned to the maximum extent practicable on the work incentive program requirements set forth in title IV of the Social Security Act (42 U.S.C. 630 et. seq.) and shall take into account the diversity of the needs of the food stamp work registration population.

“(e) No individual who is a member of a household otherwise eligible to participate in the food stamp program under this section shall be eligible to participate in the food stamp program as a member of that or any other household if he or she (1) has reached his or her eighteenth birthday, (2) is enrolled at least half time in an institution of higher education, and (3) (A) is properly claimed or could properly be claimed as a dependent child for Federal income tax purposes by a taxpayer who is not a member of an eligible household or (B) during the regular school year (i) is not employed a minimum of twenty hours per week or is not participating in a federally financed work study program, (ii) does not have weekly earnings which at least equal the minimum hourly rate under the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 206(a)(1)), multiplied by twenty hours, (iii) is not registered for work amounting to at least twenty hours per week, (iv) is not the head of a household containing one or more other persons who are dependents of that individual because he or she supplies more than half of their support, or (v) is not covered by an exemption from the work registration requirement contained in subsection (d) of this section other than clause (D) of paragraph (2) of that subsection.

“(f) No individual who is a member of a household otherwise eligible to participate in the food stamp program under this section shall be eligible to participate in the food stamp program as a member of that or any other household unless he or she is (1) a resident of the United States and (2) either (A) a citizen or (B) an alien lawfully admitted for permanent residence as an immigrant as defined by sections 101(a)(15) and 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15) and 8 U.S.C. 1101(a)(20)), excluding, among others, alien visitors, tourists, diplomats, and students who enter the United States temporarily with no intention of abandoning their residence in a foreign country; or (C) an alien who entered the United States prior to June 30, 1948, or such subsequent date as is enacted by law, has continuously maintained his or her residence in the United States since then, and is not ineligible for citizenship, but who is deemed to be lawfully admitted for permanent residence as a result of an exercise of discretion by the Attorney General pursuant to section 249 of the Immigration and Nationality Act (8 U.S.C.

1259); or (D) an alien who has qualified for conditional entry pursuant to section 203(a)(7) of the Immigration and Nationality Act (8 U.S.C. 1153(a)(7)) because of persecution or fear of persecution on account of race, religion, or political opinion or because of being uprooted by catastrophic natural calamity; or (E) an alien who is lawfully present in the United States as a result of an exercise of discretion by the Attorney General for emergent reasons or reasons deemed strictly in the public interest pursuant to section 212(d)(5) of the Immigration and Nationality Act (8 U.S.C. 1182(d)(5)); or (F) an alien within the United States as to whom the Attorney General has withheld deportation pursuant to section 243 of the Immigration and Nationality Act (8 U.S.C. 1253(h)) because of the judgment of the Attorney General that the alien would otherwise be subject to persecution on account of race, religion, or political opinion. No aliens other than the ones specifically described in clauses (B) through (F) of this subsection shall be eligible to participate in the food stamp program as a member of any household.

“(g) No individual who receives supplemental security income benefits under title XVI of the Social Security Act, State supplementary payments described in section 1616 of such Act, or payments of the type referred to in section 212(a) of Public Law 93-66, as amended, shall be considered to be a member of a household for any month, if, for such month, such individual resides in a State which provides State supplementary payments (1) of the type described in section 1616(a) of the Social Security Act and section 212(a) of Public Law 93-66, and (2) the level of which has been found by the Secretary of Health, Education, and Welfare to have been specifically increased so as to include the bonus value of food stamps.

“(h) No household that knowingly transfers assets for the purpose of qualifying or attempting to qualify for the food stamp program shall be eligible to participate in the program for a period of up to one year from the date of discovery of the transfer.

#### “ISSUANCE AND USE OF COUPONS

“Sec. 7. (a) Coupons shall be printed under such arrangements and in such denominations as may be determined by the Secretary to be necessary, and shall be issued only to households which have been duly certified as eligible to participate in the food stamp program.

“(b) Coupons issued to eligible households shall be used by them only to purchase food in retail food stores which have been approved for participation in the food stamp program at prices prevailing in such stores: *Provided*, That nothing in this Act shall be construed as authorizing the Secretary to specify the prices at which food may be sold by wholesale food concerns or retail food stores: *Provided further*, That eligible households using coupons to purchase food may receive cash in change therefor so long as the cash received does not equal or exceed the value of the lowest coupon denomination issued.

“(c) Coupons issued to eligible households shall be simple in design and shall include only such words or illustrations as are required to explain their purpose and define their denomination. The name of any public official shall not appear on such coupons.

“(d) The Secretary shall develop an appropriate procedure for determining and monitoring the level of coupon inventories in the hands of coupon issuers for the purpose of providing that such inventories are at proper levels (taking into consideration the historical and projected volume of coupon distribution by such issuers). Such procedures shall provide that coupon inventories in the hands of such issuers

42 USC 1381.  
42 USC 1382e  
87 Stat. 155.

Printing.  
7 USC 2016.

Design.

Inventory levels,  
monitorship.

Monthly operations report.	are not in excess of the reasonable needs of such issuers taking into consideration the ease with which such coupon inventories may be resupplied. The Secretary shall require each coupon issuer at intervals prescribed by the Secretary, but not less often than monthly, to send to the Secretary or the Secretary's designee, which may include the State agency, a written report of the issuer's operations during such period.
Oath, certification by issuer.	In addition to other information deemed by the Secretary to be appropriate, the Secretary shall require that the report contain an oath, or affirmation, signed by the coupon issuer, or in the case of a corporation or other entity not a natural person, by an appropriate official of the coupon issuer, certifying that the information contained in the report is true and correct to the best of such person's knowledge and belief.
Delivery and controls, procedures.	“(e) The Secretary shall prescribe appropriate procedures for the delivery of coupons to coupon issuers and for the subsequent controls to be placed over such coupons by coupon issuers in order to ensure adequate accountability.
Financial losses.	“(f) Notwithstanding any other provision of this Act, the State agency shall be responsible to the Secretary for any financial losses involved in the acceptance, storage, and issuance of coupons.

“VALUE OF ALLOTMENT

7 USC 2017.	“SEC. 8 (a) The value of the allotment which State agencies shall be authorized to issue to any households certified as eligible to participate in the food stamp program shall be equal to the cost to such households of the thrifty food plan reduced by an amount equal to 30 per centum of the household's income, as determined in accordance with section 5 of this Act, rounded to the nearest whole dollar: <i>Provided</i> , That for households of one and two persons the minimum allotment shall be \$10 per month. The Secretary shall, six months after the implementation of the elimination of the charge for allotments and annually thereafter, report to Congress the effect on participation and cost of this elimination.
Report to Congress.	“(b) The value of the allotment provided any eligible household shall not be considered income or resources for any purpose under any Federal, State, or local laws, including, but not limited to, laws relating to taxation, welfare, and public assistance programs, and no participating State or political subdivision thereof shall decrease any assistance otherwise provided an individual or individuals because of the receipt of an allotment under this Act.

“APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

Applications, submission. 7 USC 2018.	“SEC. 9. (a) Regulations issued pursuant to this Act shall provide for the submission of applications for approval by retail food stores and wholesale food concerns which desire to be authorized to accept and redeem coupons under the food stamp program and for the approval of those applicants whose participation will effectuate the purposes of the food stamp program. In determining the qualifications of applicants, there shall be considered among such other factors as may be appropriate, the following: (1) the nature and extent of the food business conducted by the applicant; (2) the volume of coupon business which may reasonably be expected to be conducted by the applicant food store or wholesale food concern; and (3) the business integrity and reputation of the applicant. Approval of an applicant shall be evidenced by the issuance to such applicant of a nontransferable certificate of approval.
Qualifications.	
Certificate.	



“(b) No wholesale food concern may be authorized to accept and redeem coupons unless the Secretary determines that its participation is required for the effective and efficient operation of the food stamp program. In addition, no firm may be authorized to accept and redeem coupons as both a retail food store and as a wholesale food concern at the same time.

“(c) Regulations issued pursuant to this Act shall require an applicant retail food store or wholesale food concern to submit information which will permit a determination to be made as to whether such applicant qualifies, or continues to qualify, for approval under the provisions of this Act or the regulations issued pursuant to this Act. Regulations issued pursuant to this Act shall provide for safeguards which limit the use or disclosure of information obtained under the authority granted by this subsection to purposes directly connected with administration and enforcement of the provisions of this Act or the regulations issued pursuant to this Act.

“(d) Any retail food store or wholesale food concern which has failed upon application to receive approval to participate in the food stamp program may obtain a hearing on such refusal as provided in section 14 of this Act.

#### “REDEMPTION OF COUPONS

“SEC. 10. Regulations issued pursuant to this Act shall provide for the redemption of coupons accepted by retail food stores through approved wholesale food concerns or through banks, with the cooperation of the Treasury Department, except that retail food stores defined in section 3(k) (4) of this Act shall be authorized to redeem their members' food coupons prior to receipt by the members of the food so purchased and private nonprofit organizations or institutions which serve meals to narcotics addicts or alcoholics in drug addiction or alcoholic treatment and rehabilitation programs shall not be authorized to redeem coupons through banks.

#### “ADMINISTRATION

“SEC. 11. (a) The State agency of each participating State shall assume responsibility for the certification of applicant households and for the issuance of coupons and the control and accountability thereof. There shall be kept such records as may be necessary to ascertain whether the program is being conducted in compliance with the provisions of this Act and the regulations issued pursuant to this Act. Such records shall be available for inspection and audit at any reasonable time and shall be preserved for such period of time, not less than three years, as may be specified in the regulations issued pursuant to this Act.

“(b) Certification of a household as eligible in any political subdivision shall, in the event of removal of such household to another political subdivision in which the food stamp program is operating, remain valid for participation in the food stamp program for a period of sixty days from the date of such removal.

“(c) In the certification of applicant households for the food stamp program, there shall be no discrimination by reason of race, sex, religious creed, national origin, or political beliefs.

“(d) The State agency (as defined in section 3(n) (1) of this Act) of each State desiring to participate in the food stamp program shall submit for approval a plan of operation specifying the manner in which such program will be conducted within the State in every politi-

cal subdivision. In the case of all or part of an Indian reservation, the State agency as defined in section 3(n)(1) of this Act shall be responsible for conducting such program on such reservation unless the Secretary determines that the State agency (as defined in section 3(n)(1) of this Act) is failing, subsequent to the enactment of this Act, properly to administer such program on such reservation in accordance with the purposes of this Act and further determines that the State agency as defined in section 3(n)(2) of this Act is capable of effectively and efficiently conducting such program, in light of the distance of the reservation from State agency-operated certification and issuance centers, the previous experience of such tribal organization in the operation of programs authorized under the Indian Self-Determination Act (25 U.S.C. 450) and similar Acts of Congress, the tribal organization's management and fiscal capabilities, and the adequacy of measures taken by the tribal organization to ensure that there shall be no discrimination in the operation of the program on the basis of race, color, sex, or national origin, in which event such State agency shall be responsible for conducting such program and submitting for approval a plan of operation specifying the manner in which such program will be conducted. The Secretary, upon the request of a tribal organization, shall provide the designees of such organization with appropriate training and technical assistance to enable them to qualify as expeditiously as possible as a State agency pursuant to section 3(n)(2) of this Act. A State agency, as defined in section 3(n)(1) of this Act, before it submits its plan of operation to the Secretary for the administration of the food stamp program on all or part of an Indian reservation, shall consult in good faith with the tribal organization about that portion of the State's plan of operation pertaining to the implementation of the program for members of the tribe, and shall implement the program in a manner that is responsive to the needs of the Indians on the reservation as determined by ongoing consultation with the tribal organization.

“(e) The State plan of operation required under subsection (d) of this section shall provide, among such other provisions as may be required by regulation—

Notification.

“(1) that the State agency shall (A) inform low-income households about the availability, eligibility requirements, and benefits of the food stamp program, including, but not limited to, notification to recipients of aid to families with dependent children, supplemental security income, and unemployment compensation, distribution of application forms and associated instructions in filling out such forms, and on the documentation required pursuant to paragraph (3) of this subsection; (B) not conduct any other outreach activities of a noninformational nature in those areas in which a federally funded community action program is in operation and conducting food stamp outreach; and (C) use appropriate bilingual personnel and printed material in the administration of the program in those portions of political subdivisions in the State in which a substantial number of members of low-income households speak a language other than English;

Bilingual personnel and materials.

Application, filing.

“(2) that each household which contacts a food stamp office in person during office hours to make what may reasonably be interpreted as an oral or written request for food stamp assistance shall receive and shall be permitted to file, on the same day that such contact is first made, a simplified, uniform national application form for participation in the food stamp program designed by the Secretary, unless the Secretary approves a deviation from

25 USC 450f note.

Training and assistance.

Consultation with tribal organization.

that form by a particular State agency because of the use by that agency of a dual public assistance food stamp application form pursuant to subsection (i) of this section, the requirements of an agency's computer system, or other exigencies as determined by the Secretary. Each application form shall contain a description in understandable terms in prominent and boldface lettering of the appropriate civil and criminal provisions dealing with violations of this Act, including the penalties therefor, by members of an eligible household. The State agency shall comply with the standards established by the Secretary for points and hours of certification, and for telephone contact by, mail delivery of forms to and mail return of forms by, and subsequent home or telephone interview with, the elderly, physically or mentally handicapped, and persons otherwise unable, solely because of transportation difficulties and similar hardships, to appear in person at a certification office or through a representative pursuant to paragraph (7) of this subsection, so that such persons may have an adequate opportunity to be certified properly;

Application form.

“(3) that the State agency shall thereafter promptly determine the eligibility of each applicant household by way of verification only of income other than that determined to be excluded by section 5(d) of this Act and such other eligibility factors as the Secretary determines to be necessary to implement sections 5 and 6 of this Act, so as to complete certification of and provide an allotment retroactive to the period of application to any eligible household not later than thirty days following its filing of an application;

“(4) that the State agency shall insure that each participating household receive a notice of expiration of its certification immediately prior to or at the start of the last month of its certification period advising it that it must submit a new application in order to renew its eligibility for a new certification period and, further, that each such household which seeks to be certified another time or more times thereafter by filing an application for such recertification no later than fifteen days prior to the day upon which its existing certification period expires shall, if found to be still eligible, receive its allotment no later than one month after the receipt of the last allotment issued to it pursuant to its prior certification, but if such household is found to be ineligible or to be eligible for a smaller allotment during the new certification period it shall not continue to participate and receive benefits on the basis authorized for the preceding certification period even if it makes a timely request for a fair hearing pursuant to paragraph (10) of this subsection;

Certification expiration, notice. Recertification.

“(5) the specific standards to be used in determining the eligibility of applicant households which shall be in accordance with sections 5 and 6 of this Act and shall include no additional requirements imposed by the State agency;

“(6) that (A) the State agency shall undertake the certification of applicant households in accordance with the general procedures prescribed by the Secretary in the regulations issued pursuant to this Act; (B) the State agency personnel utilized in undertaking such certification shall be employed in accordance with the current standards for a Merit System of Personnel Administration or any standards later prescribed by the United States Civil Service Commission pursuant to section 208 of the Intergovernmental Personnel Act of 1970 modifying or superseding such standards relating to the establishment and maintenance of personnel stand-

Certification.

42 USC 4728.

Personnel,  
training.

ards on a merit basis; and (C) the State agency shall undertake to provide a continuing, comprehensive program of training for all personnel undertaking such certification;

“(7) that any applicant household may be represented in the certification process and that any eligible household may be represented in coupon issuance or food purchase by a person other than a member of the household so long as that person has been clearly designated as the representative of that household for that purpose by the head of the household or the spouse of the head, and, where the certification process is concerned, the representative is an adult who is sufficiently aware of relevant household circumstances;

## Safeguards.

“(8) safeguards which limit the use or disclosure of information obtained from applicant households to persons directly connected with the administration or enforcement of the provisions of this Act or the regulations issued pursuant to this Act;

“(9) that households in immediate need because of no income as defined in sections 5 (d) and (e) of this Act receive coupons on an expedited basis;

## Hearing.

“(10) for the granting of a fair hearing and a prompt determination thereafter to any household aggrieved by the action of the State agency under any provision of its plan of operation as it affects the participation of such household in the food stamp program or by a claim against the household for an overissuance: *Provided*, That any household which timely requests such a fair hearing after receiving individual notice of agency action reducing or terminating its benefits within the household's certification period shall continue to participate and receive benefits on the basis authorized immediately prior to the notice of adverse action until such time as the fair hearing is completed and an adverse decision rendered or until such time as the household's certification period terminates, whichever occurs earlier;

“(11) for the prompt restoration in the form of coupons to households of any allotment or portion thereof which has been wrongfully denied or terminated;

## Reports.

“(12) for the submission of such reports and other information as from time to time may be required by the Secretary;

“(13) for compliance with standards set by the Secretary with respect to points and hours of coupon issuance;

“(14) for indicators of expected performance in the administration of the program;

## Poster displays.

“(15) that the State agency shall prominently display in all food stamp and public assistance offices posters prepared or obtained by the Secretary describing the information contained in subparagraphs (A) through (D) of this paragraph and shall make available in such offices for home use pamphlets prepared or obtained by the Secretary listing (A) foods that contain substantial amounts of recommended daily allowances of vitamins, minerals, and protein for children and adults; (B) menus that combine such foods into meals; (C) details on eligibility for other programs administered by the Secretary that provide nutrition benefits; and (D) general information on the relationship between health and diet; and

## Disaster victims.

“(16) that the State agency shall specify a plan of operation for providing food stamps for households that are victims of a disaster; that such plan shall include, but not be limited to, procedures for informing the public about the disaster program and how to apply for its benefits, coordination with Federal and private dis-

aster relief agencies and local government officials, application procedures to reduce hardship and inconvenience and deter fraud, and instruction of caseworkers in procedures for implementing and operating the disaster program.

“(f) To encourage the purchase of nutritious foods, the Secretary shall extend the expanded food and nutrition education program to the greatest extent possible to reach food stamp program participants. The program shall be further supplemented by the development of single concept printed materials, specifically designed for persons with low reading and comprehension levels, on how to buy and prepare more nutritious and economical meals and on the relationship between food and good health.

Food and  
nutrition  
program,  
extension.

“(g) If the Secretary determines that in the administration of the food stamp program there is a failure by a State agency to comply with any of the provisions of this Act, the regulations issued pursuant to this Act, or the State plan of operation submitted pursuant to subsection (d) of this section, the Secretary shall immediately inform such State agency of such failure and shall allow the State agency a specified period of time for the correction of such failure. If the State agency does not correct such failure within that specified period, the Secretary may refer the matter to the Attorney General with a request that injunctive relief be sought to require compliance forthwith by the State agency and, upon suit by the Attorney General in an appropriate district court of the United States having jurisdiction of the geographic area in which the State agency is located and a showing that noncompliance has occurred, appropriate injunctive relief shall issue.

State  
noncompliance,  
correction.

Injunctive relief.

“(h) If the Secretary determines that there has been negligence or fraud on the part of the State agency in the certification of applicant households, the State shall, upon request of the Secretary, deposit into the Treasury of the United States, a sum equal to the face value of any coupon or coupons issued as a result of such negligence or fraud.

Deposit by States.

“(i) Notwithstanding any other provision of law, the Secretary and the Secretary of Health, Education, and Welfare shall develop a system by which (1) a single interview shall be conducted to determine eligibility for the food stamp program and the aid to families with dependent children program under part A of title IV of the Social Security Act; (2) households in which all members are recipients of supplemental security income shall be permitted to apply for participation in the food stamp program by executing a simplified affidavit at the social security office and be certified for eligibility utilizing information contained in files of the Social Security Administration; (3) households in which all members are included in a federally aided public assistance or State or local general assistance grant shall have their application for participation in the food stamp program contained in the public assistance or general assistance application form; and (4) new applicants, as well as households which have recently lost or been denied eligibility for public assistance or general assistance, shall be certified for participation in the food stamp program based on information in the public assistance or general assistance case file to the extent that reasonably verified information is available in such case file.

System,  
development.

42 USC 601.

“(j) The Secretary, in conjunction with the Secretary of Health, Education, and Welfare, is authorized to prescribe regulations permitting applicants for and recipients of social security benefits to apply for food stamps at social security offices and be certified for food stamp eligibility in such offices in order that the application and certification for food stamp assistance may be accomplished as efficiently and conveniently as possible.

Joint regulations,  
USDA—HEW.

“(k) Subject to the approval of the President, post offices in all or part of the State may issue, upon request by the State agency, food stamps to eligible households.

“CIVIL MONEY PENALTIES AND DISQUALIFICATION OF RETAIL FOOD STORES  
AND WHOLESALE FOOD CONCERNS

7 USC 2021.

“SEC. 12. Any approved retail food store or wholesale food concern may be disqualified for a specified period of time from further participation in the food stamp program, or subjected to a civil money penalty of up to \$5,000 for each violation if the Secretary determines that its disqualification would cause hardship to food stamp households, on a finding, made as specified in the regulations, that such store or concern has violated any of the provisions of this Act or the regulations issued pursuant to this Act. Such disqualification shall be for such period of time as may be determined in accordance with regulations issued pursuant to this Act. The action of disqualification or the imposition of a civil money penalty shall be subject to review as provided in section 14 of this Act.

Review.

“DETERMINATION OF DISPOSITION OF CLAIMS

7 USC 2022.

“SEC. 13. The Secretary shall have the power to determine the amount of and settle and adjust any claim and to compromise or deny all or part of any such claim or claims arising under the provisions of this Act or the regulations issued pursuant to this Act, including, but not limited to, claims arising from fraudulent and nonfraudulent overissuances to recipients. Such powers with respect to claims against recipients may be delegated by the Secretary to State agencies.

Delegation of  
authority.

“ADMINISTRATIVE AND JUDICIAL REVIEW

Notice.  
7 USC 2023.

“SEC. 14. Whenever an application of a retail food store or wholesale food concern to participate in the food stamp program is denied pursuant to section 9 of this Act, or a retail food store or wholesale food concern is disqualified or subjected to a civil money penalty under the provisions of section 12 of this Act, or all or part of any claim of a retail food store or wholesale food concern is denied under the provisions of section 13 of this Act, or a claim against a State agency is stated pursuant to the provisions of section 13 of this Act, notice of such administrative action shall be issued to the retail food store, wholesale food concern, or State agency involved. Such notice shall be delivered by certified mail or personal service. If such store, concern, or State agency is aggrieved by such action, it may, in accordance with regulations promulgated under this Act, within ten days of the date of delivery of such notice, file a written request for an opportunity to submit information in support of its position to such person or persons as the regulations may designate. If such a request is not made or if such store, concern, or State agency fails to submit information in support of its position after filing a request, the administrative determination shall be final. If such request is made by such store, concern, or State agency, such information as may be submitted by the store, concern, or State agency, as well as such other information as may be available, shall be reviewed by the person or persons designated by the Secretary, who shall, subject to the right of judicial review hereinafter provided, make a determination which shall be final and which shall take effect thirty days after the date of the

Request for  
submission of  
information,  
filing.

delivery or service of such final notice of determination. If the store, concern, or State agency feels aggrieved by such final determination, it may obtain judicial review thereof by filing a complaint against the United States in the United States court for the district in which it resides or is engaged in business, or, in the case of a retail food store or wholesale food concern, in any court of record of the State having competent jurisdiction, within thirty days after the date of delivery or service of the final notice of determination upon it, requesting the court to set aside such determination. The copy of the summons and complaint required to be delivered to the official or agency whose order is being attacked shall be sent to the Secretary or such person or persons as the Secretary may designate to receive service of process. The suit in the United States district court or State court shall be a trial de novo by the court in which the court shall determine the validity of the questioned administrative action in issue. If the court determines that such administrative action is invalid, it shall enter such judgment or order as it determines is in accordance with the law and the evidence. During the pendency of such judicial review, or any appeal therefrom, the administrative action under review shall be and remain in full force and effect, unless an application to the court on not less than ten days' notice, and after hearing thereon and a showing of irreparable injury, the court temporarily stays such administrative action pending disposition of such trial or appeal.

Complaint, filing.

Stay.

#### “VIOLATIONS AND ENFORCEMENT

“SEC. 15. (a) Notwithstanding any other provision of this Act, the Secretary may provide for the issuance or presentment for redemption of coupons to such person or persons, and at such times and in such manner, as the Secretary deems necessary or appropriate to protect the interests of the United States or to ensure enforcement of the provisions of this Act or the regulations issued pursuant to this Act.

Coupon  
redemption.  
7 USC 2024.

“(b) Whoever knowingly uses, transfers, acquires, alters, or possesses coupons or authorization cards in any manner not authorized by this Act or the regulations issued pursuant to this Act shall, if such coupons or authorization cards are of the value of \$100 or more, be guilty of a felony and shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned for not more than five years, or both, or, if such coupons or authorization cards are of a value of less than \$100, shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned for not more than one year, or both.

“(c) Whoever presents, or causes to be presented, coupons for payment or redemption of the value of \$100 or more, knowing the same to have been received, transferred, or used in any manner in violation of the provisions of this Act or the regulations issued pursuant to this Act shall be guilty of a felony and shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned for not more than five years, or both, or, if such coupons are of a value of less than \$100, shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned for not more than one year, or both.

“(d) Coupons issued pursuant to this Act shall be deemed to be obligations of the United States within the meaning of section 8 of title 18, United States Code.

“(e) Any coupon issuer or any officer, employee, or agent thereof convicted of failing to provide the report required under section 7 (d) of this Act or of violating the regulations issued under section 7 (d) and (e) of this Act shall be fined not more than \$1,000 or imprisoned for not more than one year, or both.

“(f) Any coupon issuer or any officer, employee, or agent thereof convicted of knowingly providing false information in the report required under section 7(d) of this Act shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

“ADMINISTRATIVE COST-SHARING AND QUALITY CONTROL

7 USC 2025.

“SEC. 16. (a) The Secretary is authorized to pay to each State agency an amount equal to 50 per centum of all administrative costs involved in each State agency’s operation of the food stamp program, which costs shall include, but not be limited to, the cost of (1) outreach, (2) the certification of applicant households, (3) the acceptance, storage, protection, control, and accounting of coupons after their delivery to receiving points within the State, (4) the issuance of coupons to all eligible households, and (5) fair hearings: *Provided*, That the Secretary is authorized to pay each State agency an amount not less than 75 per centum of the costs of State food stamp program investigations and prosecutions, and is further authorized at the Secretary’s discretion to pay any State agency administering the food stamp program on all or part of an Indian reservation under section 11(d) of this Act such amounts for administrative costs as the Secretary determines to be necessary for effective operation of the food stamp program.

Administration,  
standards.  
Reports.

“(b) The Secretary shall (1) establish standards for the efficient and effective administration of the food stamp program by the States, including, but not limited to, staffing standards such as caseload per certification worker limitations, and (2) instruct each State to submit, at regular intervals, reports which shall specify the specific administrative actions proposed to be taken and implemented in order to meet the efficiency and effectiveness standards established pursuant to clause (1) of this subsection. If the Secretary finds that a State has failed without good cause to meet any of the Secretary’s standards, or has failed to carry out the approved State plan of operation under section 11(d) of this Act, the Secretary shall withhold from the State such funds authorized under subsections (a) and (c) of this section as the Secretary determines to be appropriate.

Funds,  
withholding.

Federal share,  
adjustment.  
Effective date.

“(c) Effective October 1, 1978, the Secretary is authorized to adjust a State agency’s federally funded share of administrative costs pursuant to subsection (a) of this section, other than the costs already shared in excess of 50 per centum as described in the exception clause of subsection (a) of this section, by increasing such share to 60 per centum of all such administrative costs in the case of a State agency whose cumulative allotment error rates with respect to eligibility, over-issuance, and underissuance as calculated in the quality control program undertaken pursuant to subsection (d) (1) of this section is less than five per centum.

Annual quality  
control plan,  
submittal to  
Secretary.  
Effective date.

“(d) Effective October 1, 1978, and annually thereafter, each State not receiving an increased share of administrative costs pursuant to subsection (c) of this section shall be required to develop and submit to the Secretary for approval, as part of the plan of operation required to be submitted under section 11(d) of this Act, a quality control plan for the State which shall specify the actions such State proposes to take in order to reduce—

“(1) the incidence of error rates in and the value of—

“(A) food stamp allotments for households which fail to meet basic program eligibility requirements;



“(B) food stamp allotments overissued to eligible households; and

“(C) food stamp allotments underissued to eligible households; and

“(2) the incidence of invalid decisions in certifying or denying eligibility.

“(e) As used in this section ‘quality control’ means monitoring and reducing the rate of errors in determining basic eligibility and benefit levels.

“Quality control.”

“RESEARCH, DEMONSTRATION, AND EVALUATIONS

“SEC. 17. (a) The Secretary may, by way of making contracts with or grants to public or private organizations or agencies, undertake research that will help improve the administration and effectiveness of the food stamp program in delivering nutrition-related benefits.

Contracts or grants.  
7 USC 2026.

“(b) (1) The Secretary is authorized to conduct on a trial basis, in one or more areas of the United States, pilot or experimental projects designed to test program changes that might increase the efficiency of the food stamp program and improve the delivery of food stamp benefits to eligible households, including projects involving the payment of the value of allotments in the form of cash to eligible households all of whose members are either age sixty-five or over or entitled to supplemental security income benefits under title XVI of the Social Security Act, the use of countersigned food coupons or similar identification mechanisms that do not invade a household’s privacy, and the use of food checks or other voucher-type forms in place of food coupons. The Secretary may waive the requirements of this Act to the degree necessary for such projects to be conducted, except that no project shall be implemented which would lower or further restrict the income or resource standards or benefit levels provided pursuant to sections 5 and 8 of this Act.

Pilot projects.

42 USC 1381.

Waiver.

“(2) The Secretary shall, jointly with the Secretary of Labor, implement two pilot projects involving the performance of work in return for food stamp benefits in each of the seven administrative regions of the Food and Nutrition Service of the Department of Agriculture, such projects to be (A) appropriately divided in each region between locations that are urban and rural in characteristics and among locations selected to provide a representative cross-section of political subdivisions in the States and (B) submitted for approval prior to project implementation, together with the names of the agencies or organizations that will be engaged in such projects, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate. Under such pilot projects, any person who is subject to the work registration requirements pursuant to section 6(d) of this Act, and is a member of a household that does not have earned income equal to or exceeding the allotment to which the household is otherwise entitled pursuant to section 8(a) of this Act, shall be ineligible to participate in the food stamp program as a member of any household during any month in which such person refuses, after not being offered employment in the private sector of the economy for more than thirty days after the initial registration for employment referred to in section 6(d)(1)(i) of this Act, to accept an offer of employment from a political subdivision or a prime sponsor pursuant to the Comprehensive Employment and Training Act of 1973, as amended (29 U.S.C. 812), for which employment compensation shall be paid in the form of the allotment to which

Pilot projects.

Submission for approval to congressional committees.

Eligibility.

- the household is otherwise entitled pursuant to section 8(a) of this Act, with each hour of employment entitling the household to a portion of the allotment equal in value to 100 per centum of the Federal minimum hourly rate under the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 206(a)(1)); which employment shall not, together with any other hours worked in any other capacity by such person exceed forty hours a week; and which employment shall not be used by the employer to fill a job opening created by the action of such employer in laying off or terminating the employment of any regular employee not supported under this paragraph in anticipation of filling the vacancy so created by hiring an employee or employees to be supported under this paragraph: *Provided*, That all of the political subdivision's or prime sponsor's public service jobs supported under the Comprehensive Employment and Training Act of 1973, as amended (29 U.S.C. 812), are filled before such subdivision or sponsor can extend a job offer pursuant to this paragraph: *Provided further*, That the sponsor of each such project shall provide the assurances required of prime sponsors under section 205(c) (7), (8), (15), (19), and (24) of the Comprehensive Employment and Training Act of 1973, as amended (29 U.S.C. 845(c)), and the Secretary shall require such sponsors to comply with the conditions contained in sections 208(a) (1), (4), and (5) and (c) and 703(4) of the Comprehensive Employment and Training Act of 1973, as amended (29 U.S.C. 848 (a) and (c) and 983). The Secretary and the Secretary of Labor shall jointly issue reports to the appropriate committees of Congress on the progress of such pilot projects no later than six and twelve months following enactment of this Act, and shall issue a final report describing the results of such pilot projects no later than eighteen months following enactment of this Act.
- “ (c) The Secretary shall develop and implement measures for evaluating, on an annual or more frequent basis, the effectiveness of the food stamp program in achieving its stated objectives, including, but not limited to, the program's impact upon the nutritional and economic status of participating households, the program's impact upon all sectors of the agricultural economy, including farmers and ranchers, as well as retail food stores, and the program's relative fairness to households of different income levels, different age composition, different size, and different regions of residence.
- “ (d) Notwithstanding any other provision of law, the Secretary shall, in consultation with the Secretary of the Treasury, conduct a study, through the use of Federal income tax data, of the feasibility, alternative methods of implementation, and the effects of a program to recover food stamp benefits from members of eligible households in which the adjusted gross income of members of such households for a calendar year (as defined by the Internal Revenue Code of 1954) may exceed twice the income poverty guidelines set forth in section 5(c) of this Act. Such study shall be conducted in rural and urban areas only on a voluntary basis by food stamp recipients. The Secretary shall, no later than twelve months and eighteen months from the date of enactment of this Act, report the results of the study to the Committees on Agriculture and Ways and Means of the House of Representatives and to the Committees on Agriculture, Nutrition, and Forestry and Finance of the Senate, together with such recommendations as the Secretary deems appropriate.
- 29 USC 801 note.
- Joint reports, issuance to congressional committees.
- Evaluation measures.
- Study.
- 26 USC 1 et seq.
- Report to congressional committees. Recommendations.

## “AUTHORIZATION FOR APPROPRIATIONS

“SEC. 18. (a) To carry out the provisions of this Act, there are hereby authorized to be appropriated not in excess of \$5,847,600,000 for the fiscal year ending September 30, 1978; not in excess of \$6,158,900,000 for the fiscal year ending September 30, 1979; not in excess of \$6,188,600,000 for the fiscal year ending September 30, 1980; and not in excess of \$6,235,900,000 for the fiscal year ending September 30, 1981. Not to exceed one-fourth of 1 per centum of the previous year’s appropriation is authorized in each such fiscal year to carry out the provisions of section 17 of this Act. Sums appropriated under the provisions of this Act shall, notwithstanding the provisions of any other law, continue to remain available until expended. 7 USC 2027.

“(b) In any fiscal year, the Secretary shall limit the value of those allotments issued to an amount not in excess of the appropriation for such fiscal year. If in any fiscal year the Secretary finds that the requirements of participating States will exceed the limitation set herein, the Secretary shall direct State agencies to reduce the value of such allotments to be issued to households certified as eligible to participate in the food stamp program to the extent necessary to comply with the provisions of this subsection.” Allotment value, limitation.

## CONFORMING AMENDMENTS

SEC. 1302. (a) (1) Section 3(b) and section 4(c) of Public Law 93-86 are repealed. Repeal.  
7 USC 2012,

(2) The last sentence of section 416 of the Act of October 31, 1949 (as added by section 411(g) of Public Law 92-603), is repealed. 612c note.

(3) Section 8(c) of Public Law 93-233 is amended by striking out “the last sentence of section 3(e) of the Food Stamp Act of 1964 (as amended by subsection (a) of this section)” and inserting in lieu thereof “section 6(g) of the Food Stamp Act of 1977”. Repeal.  
7 USC 1431.  
42 USC 1382e note.

(4) Section 8(f) of Public Law 93-233 is amended by striking out everything through “during such period,” and inserting in lieu thereof “The amendment made by subsection (e) shall not”.

(b) The amendments made by this section shall be effective October 1, 1977. Effective date.  
7 USC 2012 note.

## IMPLEMENTATION OF THE FOOD STAMP ACT OF 1977

SEC. 1303. (a) The Secretary of Agriculture shall implement the Food Stamp Act of 1977 as expeditiously as possible consistent with the efficient and effective administration of the food stamp program. The provisions of the Food Stamp Act of 1964, as amended, which are relevant to current regulations of the Secretary governing the food stamp program, shall remain in effect until such regulations are revoked, superseded, amended, or modified by regulations issued pursuant to the Food Stamp Act of 1977. Coupons issued pursuant to the Food Stamp Act of 1964, as amended, and in general use as of the effective date of the Food Stamp Act of 1977, shall continue to be usable to purchase food, and all other liabilities of the Secretary, States, and applicant or participating households, under the Food Stamp Act of 1964, as amended, shall continue in force until finally resolved or terminated by administrative or judicial action, or otherwise. Continuity.  
7 USC 2011 note.

(b) Pending proceedings under the Food Stamp Act of 1964, as amended, shall not be abated by reason of any provision of the Food

Stamp Act of 1977, but shall be disposed of pursuant to the applicable provisions of the Food Stamp Act of 1964, as amended, in effect prior to the effective date of the Food Stamp Act of 1977.

(c) Appropriations made available to carry out the Food Stamp Act of 1964, as amended, shall be available to carry out the provisions of the Food Stamp Act of 1977.

Quarterly report, submittal to congressional committees.

(d) The Secretary shall, within six months of enactment of this Act, submit a quarterly report to the Senate Committee on Agriculture, Nutrition, and Forestry and the House Committee on Agriculture, setting forth the previous quarter's expenditure, by State, for the food stamp program. Such report shall also include the number of individuals participating in the program and the cost of administering the program at each State level and at the national level.

#### COMMODITY DISTRIBUTION PROGRAMS

Effective date.  
7 USC 612c note.

SEC. 1304. (a) Effective October 1, 1977, sections 4(a) and 4(b) of the Agriculture and Consumer Protection Act of 1973, as amended, are amended to read as follows:

"SEC. 4. (a) Notwithstanding any other provision of law, the Secretary may, during fiscal years 1978, 1979, 1980, and 1981, purchase and distribute sufficient agricultural commodities with funds appropriated from the general fund of the Treasury to maintain the traditional level of assistance for food assistance programs as are authorized by law, including but not limited to distribution to institutions, supplemental feeding programs wherever located, disaster areas, summer camps for children, the United States Trust Territory of the Pacific Islands, and Indians, whenever a tribal organization requests distribution of federally donated foods pursuant to section 4(b) of the Food Stamp Act of 1977. In providing for commodity distribution to Indians, the Secretary shall improve the variety and quantity of commodities supplied to Indians in order to provide them an opportunity to obtain a more nutritious diet.

"(b) The Secretary may furnish commodities to summer camps for children in which the number of adults participating in camp activities as compared with the number of children under 18 years of age so participating is not unreasonable in light of the nature of such camp and the characteristics of the children in attendance."

Effective date.

(b) Effective October 1, 1977, the Agriculture and Consumer Protection Act of 1973, as amended, is amended by—

7 USC 1307 note.

- (1) redesignating section 5 as section 6; and
- (2) inserting after section 4 a new section 5 as follows:

#### "COMMODITY SUPPLEMENTAL FOOD PROGRAM

Payment to State or local agencies.  
7 USC 612c note.

"SEC. 5. (a) In carrying out the supplemental feeding program (hereinafter referred to as the 'commodity supplemental food program') to which reference is made in section 4 of this Act, the Secretary of Agriculture shall pay to each State or local agency administering any such program, for each of the fiscal years 1978 through 1981, an amount equal to its administrative costs not in excess of an amount equal to 15 per centum of the total amount of the value of commodities made available to the State or local agency for such program in such fiscal year.

"(b) During the first three months of any commodity supplemental food program, or until such program reaches its projected caseload level, whichever comes first, the Secretary shall pay those administrative costs necessary to commence the program successfully: *Pro-*

*vided.* That in no event shall administrative costs paid by the Secretary for any fiscal year exceed the limitation established in subsection (a) of this section.

“(c) Administrative costs for the purposes of the commodity supplemental food program shall include, but not be limited to, expenses for information and referral, operation, monitoring, nutrition education, start-up costs, and general administration, including staff, warehouse and transportation personnel, insurance, and administration of the State or local office.

“(d) During each fiscal year the commodity supplemental food program is in operation, the types and varieties of commodities and their proportional amounts shall be determined by the Secretary, but, if the Secretary proposes to make any significant changes in the types, varieties, or proportional amounts from those that were available or were planned at the beginning of the fiscal year (or as were available during the fiscal year ending June 30, 1976, whichever is greater) the Secretary shall report such changes before implementation to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

“(e) The Secretary of Agriculture is authorized to issue such regulations as may be necessary to carry out the commodity supplemental food program.”

Report to congressional committees.

Regulations.

## TITLE XIV—NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977

### SHORT TITLE

SEC. 1401. This title may be cited as the “National Agricultural Research, Extension, and Teaching Policy Act of 1977”.

National Agricultural Research, Extension, and Teaching Policy Act of 1977.  
7 USC 3101 note

### Subtitle A—Findings, Purposes, and Definitions

#### FINDINGS

SEC. 1402. Congress finds that—

(1) the Federal Government of the United States has provided funding support for agricultural research and extension for many years in order to promote and protect the general health and welfare of the people of the United States, and this support has significantly contributed to the development of the Nation's agricultural system;

(2) the agencies conducting such federally supported research were established at different times in response to different and specific needs and their work is not fully coordinated;

(3) these agencies have only been partially successful in responding to the needs of all persons affected by their research, and useful information produced through such federally supported research is not being efficiently transferred to the people of the United States;

(4) expanded agricultural research and extension are needed to meet the rising demand for food and fiber caused by increases in worldwide population and food shortages due to short-term, localized, and adverse climatic conditions;

(5) increased research is necessary to alleviate inadequacies of the marketing system (including storage, transportation, and distribution of agricultural and forest products) which have impaired United States agricultural production and utilization;

7 USC 3101.

(6) advances in food and agricultural sciences and technology have become increasingly limited by the concentration upon the thorough development and exploitation of currently known scientific principles and technological approaches at the expense of more fundamental research, and a strong research effort in the basic sciences is necessary to achieve breakthroughs in knowledge that can support new and innovative food and agricultural technologies;

(7) Federal funding levels for agricultural research and extension in recent years have not been commensurate with needs stemming from changes in United States agricultural practices and the world food and agricultural situation;

(8) new Federal initiatives are needed in the areas of—

(A) research to find alternatives to technologies based on fossil fuels;

(B) research and extension on human nutrition and food consumption patterns in order to improve the health and vitality of the people of the United States;

(C) research to find solutions to environmental problems caused by technological changes in food and agricultural production;

(D) aquacultural research and extension;

(E) research and extension directed toward improving the management and use of the Nation's natural and renewable resources, in order to meet the increased demand for forest products, conserve water resources (through irrigation management, tail water reuse, desalination, crop conversion, and other water conservation techniques), conserve soil resources, and properly manage rangelands;

(F) improving and expanding the research and extension programs in home economics;

(G) extension programs in energy conservation;

(H) extension programs in forestry and natural resources, with special emphasis to be given to improving the productivity of small private woodlands, modernizing wood harvesting and utilization, developing and disseminating reliable multiple-use resource management information to all landowners and consumers, and the general public, wildlife, watershed, and recreational management, and cultural practices (including reforestation, protection, and related matters);

(I) research on climate, drought, and weather modification as factors in food and agricultural production;

(J) more intensive agricultural research and extension programs oriented to the needs of small farmers and their families and the family farm system, which is a vital component of the agricultural production capacity of this country;

(K) research to expand export markets for agricultural commodities;

(L) development and implementation, through research, of more efficient, less wasteful, and environmentally sound methods of producing, processing, marketing, and utilizing food, fiber, waste products, other nonfood agricultural products, and forest and rangeland products;

(M) expanded programs of animal disease and health care research and extension;

(N) research to develop new crops, in order to expand our use of varied soils and increase the choice of nutritional and economically viable crops available for cultivation; and

(O) investigation and analysis of the practicability, desirability, and feasibility of using organic waste materials to improve soil tilth and fertility, and extension programs to disseminate practical information resulting from such investigations and analyses; and

(9) the existing agricultural research system consisting of the Federal Government, the land-grant colleges and universities, other colleges and universities engaged in agricultural research, the agricultural experiment stations, and the private sector constitute an essential national resource which must serve as the foundation for any further strengthening of agricultural research in the United States.

#### PURPOSES

SEC. 1403. The purposes of this title are to—

7 USC 3102.

(1) establish firmly the Department of Agriculture as the lead agency in the Federal Government for the food and agricultural sciences, and to emphasize that agricultural research, extension, and teaching are distinct missions of the Department of Agriculture;

(2) undertake the special measures set forth in this title to improve the coordination and planning of agricultural research, identify needs and establish priorities for such research, assure that high priority research is given adequate funding, assure that national agricultural research, extension, and teaching objectives are fully achieved, and assure that the results of agricultural research are effectively communicated and demonstrated to farmers, processors, handlers, consumers, and all other users who can benefit therefrom;

(3) increase cooperation and coordination in the performance of agricultural research by Federal departments and agencies, the States, State agricultural experiment stations, colleges and universities, and user groups;

(4) enable the Federal Government, the States, colleges and universities, and others to implement needed agricultural research, extension, and teaching programs, including the initiatives specified in section 1402(8) of this title, through the establishment of new programs and the improvement of existing programs, as provided for in this title;

(5) establish a new program of grants for high-priority agricultural research to be awarded on the basis of competition among scientific research workers and all colleges and universities;

(6) establish a new program of grants for facilities and instrumentation used in agricultural research; and

(7) establish a new program of education grants and fellowships to strengthen training and research programs in the food and agricultural sciences, to be awarded on the basis of competition.

#### DEFINITIONS

SEC. 1404. When used in this title—

7 USC 3103.

(1) the term “Advisory Board” means the National Agricultural Research and Extension Users Advisory Board;

(2) the term “agricultural research” means research in the food and agricultural sciences;

(3) the term “aquaculture” means the propagation and rearing of aquacultural species, including, but not limited to, any species of finfish, mollusk, or crustacean (or other aquatic invertebrate), amphibian, reptile, or aquatic plant, in controlled or selected environments;

(4) the terms “college” and “university” mean an educational institution in any State which (A) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, (B) is legally authorized within such State to provide a program of education beyond secondary education, (C) provides an educational program for which a bachelor’s degree or any other higher degree is awarded, (D) is a public or other nonprofit institution, and (E) is accredited by a nationally recognized accrediting agency or association;

(5) the term “cooperative extension services” means the organizations established at the land-grant colleges and universities under the Smith-Lever Act of May 8, 1914 (38 Stat. 372-374, as amended; 7 U.S.C. 341-349), and section 209(b) of the Act of October 26, 1974 (88 Stat. 1428, as amended; D.C. Code, sec. 31-1719(b));

(6) the term “Department of Agriculture” means the United States Department of Agriculture;

(7) the term “extension” means the informal education programs conducted in the States in cooperation with the Department of Agriculture;

(8) the term “food and agricultural sciences” means sciences relating to food and agriculture in the broadest sense, including the social, economic, and political considerations of—

(A) agriculture, including soil and water conservation and use, the use of organic waste materials to improve soil tilth and fertility, plant and animal production and protection, and plant and animal health;

(B) the processing, distributing, marketing, and utilization of food and agricultural products;

(C) forestry, including range management, production of forest and range products, multiple use of forest and range lands, and urban forestry;

(D) aquaculture;

(E) home economics, human nutrition, and family life;

and

(F) rural and community development;

(9) the term “Joint Council” means the Joint Council on Food and Agricultural Sciences;

(10) the term “land-grant colleges and universities” means those institutions eligible to receive funds under the Act of July 2, 1862 (12 Stat. 503-505, as amended; 7 U.S.C. 301-305, 307 and 308), or the Act of August 30, 1890 (26 Stat. 417-419, as amended; 7 U.S.C. 321-326 and 328), including the Tuskegee Institute;

(11) the term “Secretary” means the Secretary of Agriculture of the United States;

(12) except as provided in subtitle H of this title, the term “State” means any one of the fifty States, Puerto Rico, Guam, the District of Columbia, and the Virgin Islands of the United States;

(13) the term “State agricultural experiment stations” means those institutions eligible to receive funds under the Act of March 2, 1887 (24 Stat. 440-442, as amended; 7 U.S.C. 361a-361i); and



(14) the term “teaching” means the formal classroom and laboratory instruction and training in the food and agricultural sciences conducted at colleges and universities and leading to baccalaureate and other recognized degrees.

Subtitle B—Coordination and Planning of Agricultural Research, Extension, and Teaching

RESPONSIBILITIES OF THE SECRETARY AND DEPARTMENT OF AGRICULTURE

SEC. 1405. The Department of Agriculture is designated as the lead agency of the Federal Government for agricultural research (except with respect to the biomedical aspects of human nutrition concerned with diagnosis or treatment of disease), extension, and teaching in the food and agricultural sciences, and the Secretary, in carrying out the Secretary’s responsibilities, shall— 7 USC 3121.

(1) establish jointly with the Secretary of Health, Education, and Welfare procedures for coordination with respect to nutrition research in areas of mutual interest;

(2) keep informed of developments in, and the Nation’s need for, research, extension, teaching, and manpower development in the food and agricultural sciences and represent such need in deliberations within the Department of Agriculture, elsewhere within the executive branch of the United States Government, and with the several States and their designated land-grant colleges and universities, other colleges and universities, agricultural and related industries, and other interested institutions and groups;

(3) coordinate all agricultural research, extension, and teaching activity conducted or financed by the Department of Agriculture and, to the maximum extent practicable, by other agencies of the executive branch of the United States Government;

(4) take the initiative in establishing coordination of State-Federal cooperative agricultural research, extension, and teaching programs, funded in whole or in part by the Department of Agriculture in each State, through the administrative heads of land-grant colleges and universities and the State directors of agricultural experiment stations and cooperative extension services, and other appropriate program administrators;

State-Federal agricultural programs, coordination.

(5) consult the Joint Council, Advisory Board, and other appropriate advisory committees of the Department of Agriculture in the formulation of basic policies, goals, strategies, and priorities for programs of agricultural research, extension, and teaching;

(6) report (as a part of the Department of Agriculture’s annual budget submissions) to the House Committee on Agriculture, the House Committee on Appropriations, the Senate Committee on Agriculture, Nutrition, and Forestry, and the Senate Committee on Appropriations actions taken to support the recommendations of the Advisory Board;

Report to congressional committees.

(7) establish appropriate review procedures to assure that agricultural research projects are timely and properly reported and published and that there is no unnecessary duplication of effort or overlapping between agricultural research units;

Research projects review procedures.

(8) establish Federal or cooperative multidisciplinary research teams on major agricultural research problems with clearly defined leadership, budget responsibility, and research programs; and

Multidisciplinary research teams, establishment.

(9) in order to promote the coordination of agricultural research of the Department of Agriculture, conduct a continuing inventory of ongoing and completed research projects being conducted within or funded by the Department.

FEDERAL SUBCOMMITTEE ON FOOD AND RENEWABLE RESOURCES

SEC. 1406. Section 401(h) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (90 Stat. 471; 42 U.S.C. 6651(h)) is amended by adding at the end thereof the following: "Among such standing subcommittees and panels of the Council shall be the Subcommittee on Food and Renewable Resources. This subcommittee shall review Federal research and development programs relevant to domestic and world food and fiber production and distribution, promote planning and coordination of this research in the Federal Government, and recommend policies and other measures concerning the food and agricultural sciences for the consideration of the Council. The subcommittee shall include, but not be limited to, representatives of each of the following departments or agencies; the Department of Agriculture, the Department of State, the Department of Defense, the Department of the Interior, the Department of Health, Education, and Welfare, the National Oceanic and Atmospheric Administration, the Energy Research and Development Administration, the National Science Foundation, the Environmental Protection Agency, and the Tennessee Valley Authority. The principal representatives of the Department of Agriculture shall serve as the chairman of the subcommittee."

JOINT COUNCIL ON FOOD AND AGRICULTURAL SCIENCES

Establishment.  
7 USC 3122.

SEC. 1407. (a) The Secretary shall establish within the Department of Agriculture a committee to be known as the Joint Council on Food and Agricultural Sciences which shall have a term of five years.

Membership.

(b) The Joint Council shall be composed of representatives from the Department of Agriculture and those of its agencies with significant research and extension responsibilities, the Office of Science and Technology Policy, the land-grant colleges and universities, State agricultural experiment stations, State cooperative extension services, and those colleges and universities, other public and private institutions, producers, and representatives of the public who are interested in and have a potential to contribute, as determined by the Secretary, to the formulation of national policy in the food and agricultural sciences. The Joint Council shall be jointly chaired by the Assistant Secretary of Agriculture responsible for research, extension, and teaching, and a person to be elected from among the non-Federal membership of the Joint Council.

(c) The Joint Council shall meet at least once during each three-month period. At least one meeting each year shall be a combined meeting with the Advisory Board.

Responsibilities.

(d) (1) The primary responsibility of the Joint Council shall be to foster coordination of the agricultural research, extension, and teaching activities of the Federal Government, the States, colleges and universities, and other public and private institutions and persons involved in the food and agricultural sciences.

(2) The Joint Council's responsibilities shall also be to—

(A) provide a forum for the interchange of information among the organizations represented by the members of the Joint Council that will assure improved awareness among these organizations concerning the agricultural research, extension, and teaching programs, results, and directions of each organization;

(B) analyze and evaluate the economic, environmental, and social impacts of agricultural research, extension, and teaching programs conducted in the United States and determine high priority agricultural research areas, and submit annual reports identifying such high priority research areas to the Secretary;

(C) develop and review the effectiveness of a system, for use by the Secretary, of compiling, maintaining, and disseminating information about each federally supported agricultural research or extension project and, to the maximum extent possible, information about private agricultural research and extension projects conducted by colleges and universities, foundations, contract research groups, businesses, and others. Information about private agricultural research and extension projects shall not be included in this system unless they are partially or entirely funded by the Federal Government or the organizations sponsoring the projects agree to the inclusion of information about such projects;

(D) assist the parties in developing, reviewing, and evaluating memoranda of understanding or other documents that detail the terms and conditions between the Secretary and the participants in agricultural research, extension, and teaching programs under this Act and other Acts;

(E) assist the Secretary in carrying out the responsibilities assigned to the Secretary under this title through planning and coordination efforts in the food and agricultural sciences that utilize an effective system of regional and national planning, and by the development of recommendations and reports describing current and long-range needs, priorities, and goals in the food and agricultural sciences and means to achieve these goals;

(F) develop, and review the effectiveness of, guidelines for use by the Secretary in making competitive grants under section 2(b) of the Act of August 4, 1965 (79 Stat. 431; 7 U.S.C. 450i), as amended by section 1414 of this title; and

(G) prepare and submit to the Secretary, not later than December 31 of each year, a statement of recommendations which shall include—

(i) the Joint Council's recommendations as to unified national, regional, or interstate agricultural research, extension, or teaching programs to be implemented during the following fiscal year, delineating suggested areas of responsibility for Federal and State agencies in carrying out such programs, and the overall planning, evaluation, coordination, and support necessary for such programs, and

(ii) a summary of agricultural research, extension, and teaching achievements made during, and the status of ongoing projects as of the end of, the prior fiscal year, with respect to the programs conducted by the organizations represented by the members of the Joint Council.

Minority views, if timely submitted, shall be included in the submission. The Secretary shall submit copies of the statement to the Subcommittee on Food and Renewable Resources of the Federal Coordinating Council for Science, Engineering, and Technology, and the Advisory Board.

Grants,  
development and  
review of  
guidelines.

Report to  
Secretary of  
Agriculture.

NATIONAL AGRICULTURAL RESEARCH AND EXTENSION USERS ADVISORY  
BOARD

Establishment.  
7 USC 3123.

SEC. 1408. (a) The Secretary shall establish within the Department of Agriculture a board to be known as the National Agricultural Research and Extension Users Advisory Board which shall have a term of five years.

Membership.

(b) The Advisory Board shall be composed of the following twenty-one members to be appointed by the Secretary—

- (1) four members representing producers of agricultural commodities, forest products, and aquacultural products,
- (2) four members representing consumer interests,
- (3) two members representing farm suppliers and food and fiber processors,
- (4) two members representing food marketing interests,
- (5) two members representing environmental interests,
- (6) one member engaged in rural development work,
- (7) two members engaged in human nutrition work,
- (8) one member representing animal health interests,
- (9) one member engaged in transportation of food and agricultural products to domestic or foreign markets,
- (10) one member representing labor organizations primarily concerned with the production, processing, distribution, or transportation of food and agricultural products, and
- (11) one member representing private sector organizations involved in development programs and issues in developing countries.

Chairman; vice-chairman.

(c) The Advisory Board shall select a chairman and vice-chairman from its membership, at its first meeting each year, who shall serve in those positions for a term of one year.

(d) The Advisory Board shall meet at least once during each four-month period. At least one meeting each year shall be a combined meeting with the Joint Council.

Panels.

(e) The Advisory Board is authorized to establish such panels as it deems appropriate to develop information, reports, advice, and recommendations for the use of the Advisory Board in meeting its responsibilities. Members of such panels may include members of the Advisory Board, Advisory Board staff members, individuals from the Department of Agriculture and other departments and agencies of the Federal Government, and individuals from the private sector who have expertise in the subject to be examined by the panel.

Responsibilities.

(f) (1) The Advisory Board shall have general responsibility for preparing independent advisory opinions on the food and agricultural sciences.

(2) The Advisory Board shall have the specific responsibilities for—

(A) reviewing the policies, plans, and goals of programs within the Department of Agriculture involving the food and agricultural sciences, and related programs in other Federal and State departments and agencies and in the colleges and universities developed by the Secretary under this title;

(B) reviewing and assessing the extent of agricultural research and extension being conducted by private foundations and businesses, and the relationships of such research and extension to federally supported agricultural research and extension;

(C) reviewing and providing consultation to the Secretary on national policies, priorities, and strategies for agricultural research and extension for both the short and long term;

(D) assessing the overall adequacy of, and making recommendations to the Secretary with regard to, the distribution of resources and the allocation of funds authorized by this title;

(E) preparing and submitting to the Secretary, not later than October 31 of each year, a statement of recommendations as to allocations of responsibilities and levels of funding among federally supported agricultural research and extension programs, which shall include a review and an assessment of the allocation of funds for agricultural research and extension made for the preceding fiscal year by the organizations represented on the Joint Council. Minority views, if timely submitted, shall be included in the submission. The Secretary shall submit copies of the statement to the Subcommittee on Food and Renewable Resources of the Federal Coordinating Council for Science, Engineering, and Technology, and the Joint Council; and

Report to  
Secretary of  
Agriculture.

(F) not later than March 1 of each year submitting a report on its appraisal of the President's proposed budget for the food and agricultural sciences for the fiscal year beginning in such year and the recommendations of the Secretary contained in the annual report submitted by the Secretary pursuant to the provisions of section 1410 of this title. Such report shall be submitted to the President, the House Committee on Agriculture, the House Committee on Appropriations, the Senate Committee on Agriculture, Nutrition, and Forestry, and the Senate Committee on Appropriations. The report may include the separate views of members of the Advisory Board. The first report shall be due not later than March 1, 1979.

Report to  
President and  
congressional  
committees.

#### EXISTING RESEARCH PROGRAMS

SEC. 1409. It is the intent of Congress in enacting this title to augment, coordinate, and supplement the planning, initiation, and conduct of agricultural research programs existing prior to the enactment of this title, except that it is not the intent of Congress in enacting this title to limit the authority of the Secretary of Health, Education, and Welfare under any Act which the Secretary of Health, Education, and Welfare administers.

7 USC 3124.

#### SECRETARY'S REPORT

SEC. 1410. The Secretary shall submit to the President and Congress by February 1 of each year a report on the Nation's agricultural research, extension, and teaching activities, and such report shall include—

Report to  
President and  
Congress.  
7 USC 3125.

(1) a review covering the following three categories of activities of the Department of Agriculture with respect to agricultural research, extension, and teaching activities and the relationship of these activities to similar activities of other departments and agencies of the Federal Government, the States, colleges and universities, and the private sector—

(A) a current inventory of such activities organized by statutory authorization and budget outlay;

(B) a current inventory of such activities organized by field of basic and applied science; and

(C) a current inventory of such activities organized by commodity and product category;

(2) the statements of recommendations of the Joint Council developed pursuant to the provisions of section 1407(d)(2)(G) of this title and the statement of recommendations of the Advisory Board developed pursuant to the provisions of section 1408(f)(2)(E) of this title; and

(3) in the second and succeeding years, a five-year projection of national priorities with respect to agricultural research, extension, and teaching, taking into account both domestic and international needs.

#### LIBRARIES AND INFORMATION NETWORK

7 USC 3126.

Sec. 1411. (a) It is hereby declared to be the policy of Congress that—

(1) cooperation and coordination among, and the more effective utilization of, disparate agricultural libraries and information units be facilitated;

(2) information and library needs related to agricultural research and education be effectively planned for, coordinated, and evaluated;

(3) a structure for the coordination of the agricultural libraries of colleges and universities, Department of Agriculture libraries, and their closely allied information gathering and disseminating units be established in close conjunction with private industry and other research libraries;

(4) effective access by all colleges and universities and Department of Agriculture personnel to literature and information regarding the food and agricultural sciences be provided; and

(5) programs for training in information utilization with respect to the food and agricultural sciences, including research grants for librarians, information scientists, and agricultural scientists be established or strengthened.

(b) There is hereby established within the National Agricultural Library of the Department of Agriculture a Food and Nutrition Information and Education Resources Center. Such Center shall be responsible for—

(1) assembling and collecting food and nutrition education materials, including the results of nutrition research, training methods, procedures, and other materials related to the purpose of this title;

(2) maintaining such information and materials in a library; and

(3) providing for the dissemination of such information and materials on a regular basis to State educational agencies and other interested persons.

(c) Funds are hereby authorized to be appropriated annually in such amounts as Congress may determine necessary to support the purposes of this section. The Secretary is authorized to carry out this section with existing facilities through the use of grants, contracts, or such other means as the Secretary deems appropriate and to require matching of funds. No funds appropriated to support the purposes of this section shall be used to purchase additional equipment unless specifically authorized by law subsequent to the date of enactment of this title.

Food and  
Nutrition  
Information and  
Education  
Resources  
Center.  
Establishment.

Appropriation  
authorization.  
Contract  
authority.

## SUPPORT FOR THE JOINT COUNCIL AND ADVISORY BOARD

SEC. 1412. (a) To assist the Joint Council and Advisory Board in the performance of their duties, the Secretary is authorized to appoint—

(1) not to exceed five full-time professional staff employees qualified in the food and agricultural sciences, and

(2) an executive director for such staff who shall perform such duties as the chairmen of the Joint Council and the chairman of the Advisory Board may direct, and who shall receive compensation at a rate not in excess of the rate for GS-18 in the General Schedule set out in section 5332 of title 5 of the United States Code.

(b) The Secretary shall provide such additional clerical assistance and staff personnel as may be required to assist the Joint Council and Advisory Board in carrying out their duties.

(c) In formulating their recommendations to the Secretary, the Joint Council and Advisory Board may obtain the assistance of Department of Agriculture employees, and, to the maximum extent practicable, the assistance of employees of other Federal departments and agencies conducting related programs of agricultural research, extension, and teaching and of appropriate representatives of colleges and universities, including State agricultural experiment stations, cooperative extension services, and other non-Federal organizations conducting significant programs in the food and agricultural sciences.

## GENERAL PROVISIONS

SEC. 1413. (a) Any vacancy in the Joint Council or the Advisory Board shall not affect their powers under this title and shall be filled in the same manner as the original position.

(b) Members of the Joint Council and Advisory Board shall serve without compensation, if not otherwise officers or employees of the United States, except that they shall, while away from their homes or regular places of business in the performance of services under this title, be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under sections 5701 through 5707 of title 5 of the United States Code.

Vacancies.  
7 USC 3128.

Travel expenses.

Subtitle C—Agricultural Research and Education Grants and Fellowships

PROGRAM OF COMPETITIVE, SPECIAL, AND FACILITIES GRANTS FOR AGRICULTURAL RESEARCH

SEC. 1414. Section 2 of the Act of August 4, 1965 (79 Stat. 431; 7 U.S.C. 450i), is amended to read as follows:

“SEC. 2. (a) In order to promote research in food, agriculture, and related areas, a research grants program is hereby established in the Department of Agriculture.

“(b) The Secretary of Agriculture is authorized to make competitive grants, for periods not to exceed five years, to State agricultural experiment stations, all colleges and universities, other research institutions and organizations, Federal agencies, private organizations or corporations, and individuals, for research to further the programs of the Department of Agriculture. To the greatest extent possible the Secretary shall allocate these grants to high priority research taking

Grants.

into consideration, when available, the determinations made by the Joint Council on Food and Agricultural Sciences identifying high priority research areas. In seeking research proposals and in performing peer review evaluations of such proposals under this subsection, the Secretary shall seek the widest participation of qualified scientists in the Federal Government, all colleges and universities, State agricultural experiment stations, and the private sector. The research grants shall be made without regard to matching funds by the recipient or recipients of such grants. There are hereby authorized to be appropriated for the purpose of carrying out the provisions of this subsection, \$25,000,000 for the fiscal year ending September 30, 1978, \$30,000,000 for the fiscal year ending September 30, 1979, \$35,000,000 for the fiscal year ending September 30, 1980, \$40,000,000 for the fiscal year ending September 30, 1981, and \$50,000,000 for the fiscal year ending September 30, 1982, and not in excess of such sums as may after the date of enactment of the Food and Agriculture Act of 1977 be authorized by law for any subsequent fiscal year.

Appropriation authorization.

Food and agricultural research grants.

“(c) The Secretary of Agriculture is authorized to make grants, for periods not to exceed five years in duration—

“(1) to land-grant colleges and universities, State agricultural experiment stations, and to all colleges and universities having a demonstrable capacity in food and agricultural research, as determined by the Secretary, to carry out research to facilitate or expand promising breakthroughs in areas of the food and agricultural sciences of importance to the Nation; and

“(2) to land-grant colleges and universities and State agricultural experiment stations, to facilitate or expand on-going State-Federal food and agricultural research programs that (A) promote excellence in research, (B) promote the development of regional research centers, or (C) promote the research partnership between the Department of Agriculture and such colleges and universities or State agricultural experiment stations.

These grants shall be made without regard to matching funds.

Annual grants.

“(d) The Secretary of Agriculture shall make annual grants to support the purchase of equipment, supplies, and land, and the construction, alteration, or renovation of buildings, necessary for the conduct of food and agricultural research, to—

“(1) each State agricultural experiment station in an amount of \$100,000 or an amount which is equal to 10 per centum of the funds received by such station under the Act of March 2, 1887 (24 Stat. 440-442, as amended; 7 U.S.C. 361a-361i), and the Act of October 10, 1962 (76 Stat. 806-807, as amended; 16 U.S.C. 582a, 582a-1-582a-7), whichever is greater: *Provided*, That of any amount in excess of \$50,000 made available under this paragraph during any year for allotment to a State agricultural experiment station, no payment thereof shall be made in excess of the amount which the station makes available during that year for the purposes for which grants under this paragraph are made available; and

“(2) each accredited college of veterinary medicine and State agricultural experiment station which receives funds from the Federal Government for animal health research, in an amount which is equal to 10 per centum of the animal health research funds received by such college or experiment station from the Federal Government during the previous fiscal year.

Deferred grants.

Any college or State agricultural experiment station eligible for annual grants under this subsection may elect to defer the receipt of an annual grant for any fiscal year for up to five years: *Provided*, That



the total amounts deferred may not exceed \$1,000,000. Application may be made for receipt of deferred grants at any time during the five years, subject to the matching funds requirement of this subsection and the availability of appropriations under this subsection.

“(e) Each recipient of assistance under this section shall keep such records as the Secretary of Agriculture shall, by regulation, prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such grants, the total cost of the project or undertaking in connection with which such funds are given or used, and the amount of that portion of the costs of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit. The Secretary of Agriculture and the Comptroller General of the United States or any of their duly authorized representatives shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients that are pertinent to the grants received under this section.

Recordkeeping.

Audit.

“(f) The Secretary of Agriculture shall limit allowable overhead costs, with respect to grants awarded under this section, to those necessary to carry out the purposes of the grants.

“(g) Except as otherwise provided in subsection (b) of this section, there are hereby authorized to be appropriated such sums as are necessary to carry out the provisions of this section.

Appropriation authorization.

“(h) The Secretary of Agriculture is authorized to issue such rules and regulations as the Secretary deems necessary to carry out the provisions of this section.”

Rules and regulations.

#### GRANTS TO ESTABLISH OR EXPAND SCHOOLS OF VETERINARY MEDICINE

SEC. 1415. (a) The Secretary shall conduct a program of grants to States for the purpose of meeting the costs of construction, employing faculty, acquiring equipment, and taking other action relating to the initial establishment and initial operation of schools of veterinary medicine, or the expansion of existing schools of veterinary medicine, as determined by the Secretary by regulations. This grant program shall be based on a matching formula of 50 per centum Federal and 50 per centum State funding.

7 USC 3151.

(b) Except with respect to the States of Alaska and Hawaii, the Secretary shall give preference in awarding grants to States which file, with their application for funds under this section, assurances satisfactory to the Secretary that—

Grant preference.

(1) the State has established, or has made a reasonable effort to establish, a veterinary medical training program with one or more States without colleges of veterinary medicine which consists of appropriate cooperative agreements providing for a sharing of curriculum and costs by the individual States; and

(2) the clinical training of the school to be established or expanded shall emphasize care and preventive medical programs for food-producing animals.

Notwithstanding clause (1) of this subsection, no State which the Secretary determines has made a reasonable effort to establish appropriate cooperative agreements shall be denied a grant or otherwise prejudiced because of its failure to establish such cooperative agreements.

(c) Funds appropriated to carry out this section for any fiscal year shall be apportioned and distributed as follows:

Funds, apportionment.

(1) Four per centum shall be retained by the Department of Agriculture for administration, program assistance to eligible States, and program coordination.

(2) The remainder shall be apportioned and distributed by the Secretary to those States which have applied for funds under this section on such basis as the Secretary may deem appropriate: *Provided*, That not less than 50 per centum of such funds shall be made available to States which have accredited schools of veterinary medicine.

AMENDMENTS TO THE RESEARCH FACILITIES ACT OF 1963

SEC. 1416. The Act of July 22, 1963 (77 Stat. 90-92, as amended; 7 U.S.C. 390, 390a-390k), is amended by—

“Eligible  
institution.”  
7 USC 390b.

(1) amending paragraph (2) of section 3 to read as follows:

“(2) the term ‘eligible institution’ means a department established under provisions of the Act of March 2, 1887 (24 Stat. 440-442, as amended; 7 U.S.C. 361a-361i), and under the direction of a college or university established in any State in accordance with the Act of July 2, 1862 (12 Stat. 503-505, as amended; 7 U.S.C. 301-305, 307 and 308), a department otherwise established pursuant to standards prescribed by any State the purpose of which is to conduct agricultural research, the Connecticut Agricultural Experiment Station at New Haven, Connecticut, the Ohio Agricultural Experiment Station at Wooster, Ohio, and those colleges, universities, and other legal entities in each State now receiving, or which may hereafter receive, benefits under the Act of August 30, 1890 (26 Stat. 417-419, as amended; 7 U.S.C. 321-326 and 328), including the Tuskegee Institute, or the Act of October 10, 1962 (76 Stat. 806-807, as amended; 16 U.S.C. 582a-582a-1-582a-7); and”;

(2) striking out sections 4 through 12 and inserting in lieu thereof the following new sections:

Appropriation  
authorizations.  
7 USC 390c.

“SEC. 4. (a) There are hereby authorized to be appropriated for allocation to eligible institutions under this Act to be used for the purpose set out in section 2 of this Act, \$15,000,000 for the fiscal year ending September 30, 1978, \$19,000,000 for the fiscal year ending September 30, 1979, \$23,000,000 for the fiscal year ending September 30, 1980, \$27,000,000 for the fiscal year ending September 30, 1981, and \$31,000,000 for the fiscal year ending September 30, 1982, and not in excess of such sums as may after the date of enactment of the Food and Agriculture Act of 1977 be authorized by law for any subsequent fiscal year.

Funds,  
apportionment.

“(b) (1) The first \$4,000,000 appropriated for research facilities pursuant to this section for any fiscal year shall be apportioned equally among eligible institutions.

“(2) Any amount in excess of \$4,000,000 appropriated under this section for any fiscal year shall be apportioned as follows: Each eligible institution shall be entitled to an amount which bears the same ratio to the total amount of funds being allocated in such fiscal year under this paragraph as the amount received by such institution in the preceding fiscal year bears to the total amount received by all eligible institutions in such preceding fiscal year. The amount received by eligible institutions in the preceding fiscal year shall be determined on the basis of funds received under section 3 of the Act of March 2, 1887, section 3 of the Act of October 10, 1962, and—with respect to institutions receiving benefits under the Act of August 30, 1890, including Tuskegee Institute—on the basis of funds received under section 2 of the Act of August 4, 1965 (79 Stat. 431; 7 U.S.C. 450i), during the fiscal years ending September 30, 1977, and September 30, 1978, and

Post, p. 1018.  
16 USC 582a-2.  
7 USC  
321-326a,  
328.

on the basis of funds received under section 1445 of the Food and Agriculture Act of 1977 in subsequent years.

“(c) It shall be the duty and responsibility of the Secretary to administer the provisions of this Act under such rules and regulations as the Secretary may prescribe as necessary therefor.

Rules and regulations.

“Sec. 5. As a condition for receiving funds apportioned under section 4 of this Act, each eligible institution shall submit, in such form as the Secretary may require, specific proposals for planning, acquisition, construction, repair, rehabilitation, renovation, or remodeling of buildings, laboratories, and other capital facilities including the acquisition of fixtures and equipment, including scientific instrumentation, which are to become part of such buildings. In a State having more than one eligible institution the Secretary shall devise procedures to insure that the facility proposals of the eligible institutions in such State provide for a coordinated food and agricultural research program among eligible institutions in such State.

Planning proposals.  
7 USC 390d.  
*Ante*, p. 994.

“Sec. 6. Any unused portion of the allotment to any eligible institution for any fiscal year shall remain available at the option of such institution for payment to such institution for a period of not more than five fiscal years following the fiscal year in which such allotment is first made available.

7 USC 390e.

“Sec. 7. With respect to multiple-purpose physical facilities, the segment or portion thereof which is to be utilized for food and agricultural research shall be the basis for determination of fund support under this Act.

Multiple-purpose physical facilities.  
7 USC 390f.

“Sec. 8. For each fiscal year that funds are made available for allocation the Secretary shall ascertain, at the earliest practicable date during such year, the amount of the allocation to which each eligible institution is entitled and shall notify each such institution in writing promptly thereafter as to the amount of such allocation.

Funds, apportionment.  
7 USC 390g.

“Sec. 9. (a) Any eligible institution authorized to receive payments under the provisions of section 4 of this Act shall have a chief administrative officer and a duly designated fiscal officer, who shall be the persons responsible for receipt of payments under the Acts referred to in section 4(b) of this Act, to whom payments can be directed by the Secretary. Such fiscal officer shall receive and account for all funds paid to such institution pursuant to the provisions of this Act, and shall submit a report, approved by the chief administrative officer of such institution, to the Secretary on or before the first day of December of each year. Such report shall contain a detailed statement of the amount received under the provisions of this Act during the preceding fiscal year, and of its disbursements on schedules prescribed by the Secretary.

Chief administrative officer and fiscal officer.  
7 USC 390h.

“(b) If any portion of the allotted funds received by the duly authorized fiscal officer of any eligible institution shall by any action or contingency be diminished, lost, or misapplied, it shall be repaid by the institution concerned, and until repaid no part of any subsequent appropriation shall be allocated or paid to such institution.

Report to Secretary of Agriculture.

Lost or misapplied funds.

“Sec. 10. The Secretary shall make an annual report to Congress during the first regular session of each year with respect to (1) payments made under this Act, (2) the facilities, by institution, for which such payments were made, and (3) whether any portion of the appropriation available for allotment to any of the eligible institutions has been withheld and, if so, the reasons therefor.

Report to Congress.  
7 USC 390i.

“Sec. 11. Three per centum of funds appropriated under this Act shall be available to the Secretary for administration of this Act.”; and

7 USC 390j.

7 USC 390, 390a.

(3) striking out “the State agricultural experiment stations” each time it occurs in the title, section 1, and section 2 and inserting in lieu thereof “eligible institutions”, and striking out “on a matching basis,” in section 1.

GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES  
EDUCATION

7 USC 3152.

**SEC. 1417. (a)** The Secretary shall conduct a program of competitive grants for all colleges and universities for the purpose of furthering education in the food and agricultural sciences. These grants shall be made in the following two categories:

Graduate and  
postdoctoral  
research and  
training grants.

(1) Grants to strengthen programs of training and research in the food and agricultural sciences for scientists at the graduate and postdoctoral levels at all colleges and universities. Grants in this category may be used for exploratory research by such scientists, the acquisition of instruments, equipment, and facilities for research and training and other programs and activities aimed at meeting departmental, interdepartmental, or institutionwide training and research needs, or a combination thereof. Grants shall be made on a competitive basis and may cover periods not to exceed four years. Competition for such grants shall be open to all colleges and universities in the United States which have a capacity for teaching, research, and the dissemination of research results in the food and agricultural sciences or which are establishing such programs.

Undergraduate  
program grants.

(2) Grants to strengthen undergraduate programs in the food and agricultural sciences at all colleges and universities. Grants in this category may be used to support programs designed to improve such undergraduate programs through traditional or non-traditional courses, curriculums, or teaching modes. Grants shall be made on a competitive basis and may cover periods not to exceed two years. Competition for such grants shall be open to all colleges and universities or to groups of such institutions which individually or collectively have a capacity for teaching, research, and the dissemination of research results in the food and agricultural sciences or which are establishing such programs.

Predoctoral and  
postdoctoral  
fellowships.

(b) The Secretary shall conduct a program of predoctoral and postdoctoral fellowships in the food and agricultural sciences. These fellowships shall be made in the following two categories:

Fellowship  
review panels.

(1) Predoctoral fellowships, each for a period of up to four years. The purpose of these fellowships shall be to provide training and increase research capabilities in areas of need as identified by each State. These fellowships shall be awarded on the basis of merit, as determined by review panels established annually by the Secretary, to graduate students from each of the States, if the following criteria are satisfied:

(A) the student is enrolled in a graduate degree program in a college or university; and

(B) the student intends to pursue or is pursuing a course of study in the food and agricultural sciences which is directly related to an area of need as identified by the Governor or chief executive officer of the State.

At least three such fellowships shall be awarded to students from each State in every year.

(2) Postdoctoral fellowships, each for a period of from one to five years. The purpose of these fellowships shall be to attract highly

promising investigators to research careers in the basic sciences related to agriculture and to provide stipends and research support for their training and establishment as independent investigators. In making awards under this paragraph, the Secretary shall give priority to individuals doing basic research at colleges and universities.

(c) Funds authorized in section 22 of the Act of June 29, 1935 (49 Stat. 439, as amended; 7 U.S.C. 329), are transferred to and shall be administered by the Secretary of Agriculture.

(d) There are hereby authorized to be appropriated for the purposes of carrying out the provisions of this section \$25,000,000 for the fiscal year ending September 30, 1978, \$30,000,000 for the fiscal year ending September 30, 1979, \$35,000,000 for the fiscal year ending September 30, 1980, \$40,000,000 for the fiscal year ending September 30, 1981, and \$50,000,000 for the fiscal year ending September 30, 1982, and not in excess of such sums as may after the date of enactment of this title be authorized by law for any subsequent fiscal year.

Funds, transfer.

Appropriation authorization.

#### NATIONAL AGRICULTURAL RESEARCH AWARD

SEC. 1418. (a) The Secretary shall establish the National Agricultural Research Award for research or advanced studies in the food and agricultural sciences. Two such awards, one for each of the categories described in subsection (c) of this section, shall be made in each fiscal year.

Establishment.  
7 USC 3153.

(b) The awards shall not exceed \$50,000 per year for a period of not to exceed three years to support research or study by the recipient.

(c) Awards under this section shall be made in each fiscal year in two categories as follows:

Categories.

- (1) to a scientist in recognition of outstanding contributions to the advancement of the food and agricultural sciences; and
- (2) to a research scientist in early career development or a graduate student, in recognition of demonstrated capability and promise of significant future achievement in the food and agricultural sciences.

(d) The Secretary may establish such nominating and selection committees, to consist of scientists and others, to receive nominations and make recommendations for awards under this section, as the Secretary deems appropriate.

Nominating and selection committees.

#### GRANTS FOR RESEARCH ON THE PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS, AND AGRICULTURAL CHEMICALS AND OTHER PRODUCTS FROM COAL DERIVATIVES

SEC. 1419. The Secretary shall make grants under this section to colleges and universities for the purpose of conducting research related to the production and marketing of (1) coal tar, producer gas, and other coal derivatives for the manufacture of agricultural chemicals, methanol, methyl fuel, and alcohol-blended motor fuel (such agricultural chemicals to include, but not be limited to, fertilizers, herbicides, insecticides, and pesticides), (2) alcohol made from agricultural commodities and forest products as a substitute for alcohol made from petroleum products, and (3) other industrial hydrocarbons made from agricultural commodities and forest products. There are hereby authorized to be appropriated for the purposes of carrying out

7 USC 3154.

Appropriation authorization.

the provision of this section, \$3,000,000 for the fiscal year ending September 30, 1978, and such sums as may be necessary for the four subsequent fiscal years ending September 30, 1979, September 30, 1980, September 30, 1981, and September 30, 1982: *Provided*, That the total amount of such appropriations shall not exceed \$24,000,000 during the five-year period beginning October 1, 1977, and ending September 30, 1982, and not in excess of such sums as may after the date of enactment of this title be authorized by law for any subsequent fiscal year: *Provided further*, That not more than a total of \$3,000,000 may be awarded to the colleges and universities of any one State.

PILOT PROJECTS FOR THE PRODUCTION AND MARKETING OF INDUSTRIAL HYDROCARBONS AND ALCOHOLS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS

7 USC 2669.

SEC. 1420. Title V of the Rural Development Act of 1972 (86 Stat. 671-674, as amended: 7 U.S.C. 2661-2668) is amended by adding at the end thereof a new section as follows:

"SEC. 509. (a) The Secretary is authorized and directed to formulate and carry out a pilot program for the production and marketing of industrial hydrocarbons derived from agricultural commodities and forest products for the purpose of stabilizing and expanding the market for such commodities and products and expanding the Nation's supply of industrial hydrocarbons.

Guaranteed  
loans.

"(b) The Secretary shall provide for four pilot projects for the production of industrial hydrocarbons and alcohols from agricultural commodities and forest products by guaranteeing loans, not to exceed \$15,000,000 per each such project, to public, private, or cooperative organizations organized for profit or nonprofit, or to individuals for a term not to exceed twenty years at a rate of interest agreed upon by the borrower and lender.

"(c) No loan may be guaranteed under this section unless (1) research indicates the total energy content of the products and byproducts to be manufactured by the loan applicant will exceed the total energy input from fossil fuels used in the manufacture of such products and byproducts, and (2) such other conditions as the Secretary deems appropriate to achieve the purposes of this section are met.

Contract  
authority.

"(d) In order to assure that the recipients of loans made under this section have a dependable supply of agricultural commodities at a stable price for use in the pilot projects provided for in this section, the Secretary is authorized to enter into long-term contracts, not exceeding five years, with the recipients of such loans. Such contracts shall guarantee the recipients of such loans a specified quantity of agricultural commodities annually at mutually agreed upon prices, but the agricultural commodities shall not be sold under any such contracts at less than the price support level prescribed for the commodity concerned unless the commodities are out of condition, unstorable, or sample-grade or lower, as prescribed in Department of Agriculture standards.

"(e) The Secretary shall supply from Commodity Credit Corporation stocks or, to such extent or in such amounts as are provided in appropriation Acts, purchase such quantities of agricultural commodities as may be necessary to comply with the terms of agreements entered into under this section.

"(f) The provisions of this section shall be carried out through the Commodity Credit Corporation."

Subtitle D—National Food and Human Nutrition Research and  
Extension Program

FINDINGS AND DECLARATIONS

SEC. 1421. (a) Congress hereby finds that there is increasing evidence of a relationship between diet and many of the leading causes of death in the United States; that improved nutrition is an integral component of preventive health care; that there is a serious need for research on the chronic effects of diet on degenerative diseases and related disorders; that nutrition and health considerations are important to United States agricultural policy; that there is insufficient knowledge concerning precise human nutritional requirements, the interaction of the various nutritional constituents of food, and differences in nutritional requirements among different population groups such as infants, children, adolescents, elderly men and women, and pregnant women; and that there is a critical need for objective data concerning food safety, the potential of food enrichment, and means to encourage better nutritional practices. 7 USC 3171.

(b) It is hereby declared to be the policy of the United States that the Department of Agriculture conduct research in the fields of human nutrition and the nutritive value of foods and conduct human nutrition education activities, as provided in this subtitle.

DUTIES OF THE SECRETARY OF AGRICULTURE

SEC. 1422. In order to carry out the policy of this subtitle, the Secretary shall develop and implement a national food and human nutrition research and extension program that shall include, but not be limited to— 7 USC 3172.

- (1) research on human nutritional requirements;
- (2) research on the nutrient composition of foods and the effects of agricultural practices, handling, food processing, and cooking on the nutrients they contain;
- (3) surveillance of the nutritional benefits provided to participants in the food programs administered by the Department of Agriculture;
- (4) research on the factors affecting food preference and habits; and
- (5) the development of techniques and equipment to assist consumers in the home or in institutions in selecting food that supplies a nutritionally adequate diet.

RESEARCH BY THE DEPARTMENT OF AGRICULTURE

SEC. 1423. (a) The Secretary shall establish research into food and human nutrition as a separate and distinct mission of the Department of Agriculture, and the Secretary shall increase support for such research to a level that provides resources adequate to meet the policy of this subtitle. 7 USC 3173.

(b) The Secretary, in administering the food and human nutrition research program, shall periodically consult with the administrators of the other Federal departments and agencies that have responsibility for programs dealing with human food and nutrition, as to the specific research needs of those departments and agencies.

## STUDY

Regional food  
and human  
nutrition research  
centers.  
7 USC 3174.  
Report to  
Congress.

SEC. 1424. The Secretary shall perform a study assessing the potential value and cost of establishing regional food and human nutrition research centers in the United States. This assessment shall examine the feasibility of using existing Federal facilities in establishing such centers. The Secretary shall complete this study and submit a report setting forth the findings of the study and recommendations for the implementation of these findings, as a part of the plan the Secretary is required to submit to Congress pursuant to section 1427 of this title, not later than one year after the effective date of this title.

## NUTRITION EDUCATION PROGRAM

Establishment.  
7 USC 3175.

SEC. 1425. (a) The Secretary shall establish a national education program which shall include, but not be limited to, the dissemination of the results of food and human nutrition research performed or funded by the Department of Agriculture.

(b) In order to enable low-income individuals and families to engage in nutritionally sound food purchasing and preparation practices, the expanded food and nutrition education program presently conducted under section 3(d) of the Act of May 8, 1914 (38 Stat. 373, as amended; 7 U.S.C. 343(d)), shall be expanded to provide for the employment and training of professional and paraprofessional aides to engage in direct nutrition education of low-income families and in other appropriate nutrition education programs. Funds for carrying out the provisions of this subsection shall be allocated to each State in an amount which bears the same ratio to the total amount to be allocated as the population of the State living at or below 125 per centum of the income poverty guidelines prescribed by the Office of Management and Budget (adjusted pursuant to section 625 of the Economic Opportunity Act of 1964 (86 Stat. 697, as amended; 42 U.S.C. 2971d)), bears to the total population of all the States living at or below 125 per centum of the income poverty guidelines, as determined by the last preceding decennial census at the time each such sum is first appropriated. To the maximum extent practicable, program aides shall be hired from the indigenous target population. The provisions of this subsection shall not preclude the Secretary from developing educational materials and programs for persons in income ranges above the level designated in this subsection.

## NUTRITION EDUCATION MATERIALS

Elementary and  
secondary school  
programs.  
7 USC 3176.

SEC. 1426. In order to encourage nutrition education programs in the classrooms and lunchrooms of elementary and secondary schools, the Secretary shall, in consultation with appropriate officers in the Department of Health, Education, and Welfare, develop and distribute to State departments of education a comprehensive set of educational materials on food and nutrition education which shall be appropriate for all levels of the elementary and secondary education system.

## REPORT TO CONGRESS

7 USC 3177.

SEC. 1427. The Secretary shall submit a comprehensive plan for implementing the national food and human nutrition research and extension program provided for by this subtitle to Congress within one year after the effective date of this title. The plan shall include, but not be limited to, recommendations relating to research direction,



funding levels, needed facilities grants, and use of Federal facilities in cooperation with States and others, necessary to achieve the policy set forth in section 1421 of this title.

NUTRITIONAL STATUS MONITORING

SEC. 1428. (a) The Secretary and the Secretary of Health, Education, and Welfare shall formulate and submit to Congress, within ninety days after the date of enactment of this title, a proposal for a comprehensive nutritional status monitoring system, to include:

Report to  
Congress.  
7 USC 3178.

(1) an assessment system consisting of periodic surveys and continuous monitoring to determine: the extent of risk of nutrition-related health problems in the United States; which population groups or areas of the country face greatest risk; and the likely causes of risk and changes in the above risk factors over time;

(2) a surveillance system to identify remediable nutrition-related health risks to individuals or for local areas, in such a manner as to tie detection to direct intervention and treatment. Such system should draw on screening and other information from other health programs, including those funded under titles V, XVIII, and XIX of the Social Security Act and section 330 of the Public Health Service Act; and

42 USC 701,  
1395, 1396.  
42 USC 254c.

(3) program evaluations to determine the adequacy, efficiency, effectiveness, and side effects of nutrition-related programs in reducing health risks to individuals and populations.

(b) The proposal shall provide for coordination of activities under existing authorities and contain recommendations for any additional authorities necessary to achieve a comprehensive monitoring system.

Subtitle E—Animal Health and Disease Research

PURPOSE

SEC. 1429. It is the purpose of this subtitle to promote the general welfare through the improved health and productivity of domestic livestock, poultry, aquatic animals, and other income-producing animals which are essential to the Nation's food supply and the welfare of producers and consumers of animal products; to improve the health of horses; to facilitate the effective treatment of, and, where possible, prevent, animal and poultry diseases in both domesticated and wild animals which, if not controlled, would be disastrous to the United States livestock and poultry industries and endanger the Nation's food supply; to minimize livestock and poultry losses due to transportation and handling; to protect human health through control of animal diseases transmissible to humans; to improve methods of controlling the births of predators and other animals; and otherwise to promote the general welfare through expanded programs of research and extension to improve animal health. It is recognized that the total animal health and disease research and extension efforts of the several State colleges and universities and of the Federal Government would be more effective if there were close coordination between such programs, and it is further recognized that colleges and universities having accredited colleges of veterinary medicine or departments of veterinary sciences or animal pathology, and similar units conducting animal health and disease research in the State agricultural experiment stations, are especially vital in training research workers in animal health.

7 USC 3191.

## DEFINITIONS

7 USC 3192.

SEC. 1430. When used in this subtitle—

(1) the term “eligible institution” means any college or university having an accredited college of veterinary medicine or a department of veterinary science or animal pathology, or a similar unit conducting animal health and disease research in a State agricultural experiment station;

(2) the term “dean” means the dean of a college or university which qualifies as an eligible institution;

(3) the term “director” means the director of a State agricultural experiment station which qualifies as an eligible institution;

(4) the term “Board” means the Animal Health Science Research Advisory Board; and

(5) the term “animal health research capacity” means the capacity of an eligible institution to conduct animal health and disease research, as determined by the Secretary.

## AUTHORIZATION TO THE SECRETARY OF AGRICULTURE

7 USC 3193.

SEC. 1431. In order to carry out the purpose of this subtitle, the Secretary is hereby authorized to cooperate with, encourage, and assist the States in carrying out programs of animal health and disease research at eligible institutions in the manner hereinafter described in this subtitle.

## ANIMAL HEALTH SCIENCE RESEARCH ADVISORY BOARD

Establishment;  
membership.  
7 USC 3194.

SEC. 1432. (a) The Secretary shall establish a board to be known as the Animal Health Science Research Advisory Board which shall have a term of five years, and which shall be composed of the following eleven members—

(1) a representative of the Agricultural Research Service of the Department of Agriculture,

(2) a representative of the Cooperative State Research Service of the Department of Agriculture,

(3) a representative of the Animal and Plant Health Inspection Service of the Department of Agriculture,

(4) a representative of the Bureau of Veterinary Medicine of the Food and Drug Administration of the Department of Health, Education, and Welfare, and

(5) seven members appointed by the Secretary—

(A) two persons representing accredited colleges of veterinary medicine,

(B) two persons representing State agricultural experiment stations, and

(C) three persons representing national livestock and poultry organizations.

Travel expenses.

The members shall serve without compensation, if not otherwise officers or employees of the United States, except that they shall, while away from their homes or regular places of business in the performance of services for the Board, be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under sections 5701 through 5707 of title 5 of the United States Code.

(b) The Board shall meet at the call of the Secretary, but at least once annually, to consult with and advise the Secretary with respect

to the implementation of this subtitle and to recommend immediate priorities for the conduct of research programs authorized under this subtitle, under such rules and procedures for conducting business as the Secretary shall, in the Secretary's discretion, prescribe.

APPROPRIATIONS FOR CONTINUING ANIMAL HEALTH AND DISEASE  
RESEARCH PROGRAMS

Sec. 1433. (a) There are hereby authorized to be appropriated such funds, not to exceed \$25,000,000 annually, as Congress may determine necessary to support continuing animal health and disease research programs at eligible institutions. Funds appropriated under this section shall be used: (1) to meet expenses of conducting animal health and disease research, publishing and disseminating the results of such research, and contributing to the retirement of employees subject to the provisions of the Act of March 4, 1940 (54 Stat. 39-40, as amended; 7 U.S.C. 331); (2) for administrative planning and direction; and (3) to purchase equipment and supplies necessary for conducting such research.

Appropriation  
authorization.  
7 USC 3195.

(b) Funds appropriated under subsection (a) of this section for any fiscal year shall be apportioned as follows:

Funds,  
apportionment.

(1) Four per centum shall be retained by the Department of Agriculture for administration, program assistance to the eligible institutions, and program coordination.

(2) Forty-eight per centum shall be distributed among the several States in the proportion that the value of and income to producers from domestic livestock and poultry in each State bears to the total value of and income to producers from domestic livestock and poultry in all the States. The Secretary shall determine the total value of and income from domestic livestock and poultry in all the States and the proportionate value of and income from domestic livestock and poultry for each State, based on the most current inventory of all cattle, sheep, swine, horses, and poultry published by the Department of Agriculture.

(3) Forty-eight per centum shall be distributed among the several States in the proportion that the animal health research capacity of the eligible institutions in each State bears to the total animal health research capacity in all the States. The Secretary shall determine the animal health research capacity of the eligible institutions with the advice, when available, of the Board.

(c) In each State with one or more accredited colleges of veterinary medicine, the deans of the accredited college or colleges and the director of the State agricultural experiment station shall develop a comprehensive animal health and disease research program for the State based on the animal health research capacity of each eligible institution in the State, which shall be submitted to the Secretary for approval and shall be used for the allocation of funds available to the State under this section.

State animal  
health and  
disease research  
program.

(d) When the amount available under this section for allotment to any State on the basis of domestic livestock and poultry values and income exceeds the amount for which the eligible institution or institutions in the State are eligible on the basis of animal health research capacity, the excess may be used, at the discretion of the Secretary, for remodeling of facilities, construction of new facilities, or increase in staffing, proportionate to the need for added research capacity.

Excess funds.

(e) Whenever a new college of veterinary medicine is established in a State and is accredited, the Secretary, after consultation with the

Funds,  
reallocation.

dean of such college and the director of the State agricultural experiment station and, where applicable, deans of other accredited colleges in the State, shall provide for the reallocation of funds available to the State pursuant to subsection (b) of this section between the new college and other eligible institutions in the State, based on the animal health research capacity of each eligible institution.

Regional colleges  
of veterinary  
medicine.

(f) Whenever two or more States jointly establish an accredited regional college of veterinary medicine or jointly support an accredited college of veterinary medicine serving the States involved, the Secretary is authorized to make funds which are available to such States pursuant to subsection (b) (2) of this section available for such college in such amount that reflects the combined relative value of and income from domestic livestock and poultry in the cooperating States, such amount to be adjusted, as necessary, pursuant to the provisions of subsections (c) and (e) of this section.

#### APPROPRIATIONS FOR RESEARCH ON NATIONAL OR REGIONAL PROBLEMS

Appropriation  
authorization.  
7 USC 3196.

SEC. 1434. (a) There are hereby authorized to be appropriated such funds, not to exceed \$15,000,000 annually, as Congress may determine necessary to support research on specific national or regional animal health or disease problems.

(b) Funds appropriated under this section shall be allocated by the Secretary to eligible institutions for work to be done, as mutually agreed upon between the Secretary and the eligible institution or institutions. The Secretary shall, whenever possible, consult the Board in developing plans for the use of these funds.

#### AVAILABILITY OF APPROPRIATED FUNDS

7 USC 3197.

SEC. 1435. Funds available for allocation under the terms of this subtitle shall be paid to each State or eligible institution at such times and in such amounts as shall be determined by the Secretary. Funds shall remain available for payment of unliquidated obligations for one additional fiscal year following the year of appropriation.

#### WITHHOLDING OF APPROPRIATED FUNDS

7 USC 3198.

SEC. 1436. If the Secretary determines that a State is not entitled to receive its allocation of the annual appropriation under section 1433 of this title because of its failure to satisfy requirements of this subtitle or regulations issued under it, the Secretary shall withhold such amount. The facts and reasons concerning the determination and withholding shall be reported to the President; and the amount involved shall be kept separate in the Treasury until the close of the next Congress. If the next Congress does not direct such sum to be paid, it shall be carried to surplus.

Report to  
President.

#### REQUIREMENTS FOR USE OF FUNDS

Research project  
proposals.  
7 USC 3199.

SEC. 1437. With respect to research projects on problems of animal health and disease to be performed at eligible institutions and supported with funds allocated to the States under section 1433 of this title, the dean or director of each eligible institution shall cause to be prepared and shall review proposals for such research projects, which contain data showing compliance with the purpose in section 1429 of this title and the provisions for use of funds specified in section 1433 (a) of this title, and with general guidelines for project eligibility

to be provided by the Secretary with the advice, when available, of the Board. Such research proposals that are approved by the dean or director shall be submitted to the Secretary prior to assignment of funds thereto with a brief summary showing compliance with the provisions of this subtitle and the Secretary's general guidelines.

Report to  
Secretary of  
Agriculture.

#### MATCHING FUNDS

SEC. 1438. No funds in excess of \$100,000, exclusive of the funds provided for research on specific national or regional animal health and disease problems under the provisions of section 1434 of this title, shall be paid by the Federal Government to any State under this subtitle during any fiscal year in excess of the amount from non-Federal sources made available to and budgeted for expenditure by eligible institutions in the State during the same fiscal year for animal health and disease research. The Secretary is authorized to make such payments in excess of \$100,000 on the certificate of the appropriate official of the eligible institution having charge of the animal health and disease research for which such payments are to be made. If any eligible institution certified for receipt of matching funds fails to make available and budget for expenditure for animal health and disease research in any fiscal year sums at least equal to the amount for which it is certified, the difference between the Federal matching funds available and the funds made available to and budgeted for expenditure by the eligible institution shall be reapportioned by the Secretary among other eligible institutions of the same State, if there are any which qualify therefor, and, if there are none, the Secretary shall reapportion such difference among the other States. 7 USC 3200.

#### ALLOCATIONS UNDER THIS SUBTITLE NOT SUBSTITUTIONS

SEC. 1439. The sums appropriated and allocated to States and eligible institutions under this subtitle shall be in addition to, and not in substitution for, sums appropriated or otherwise made available to such States and institutions pursuant to other provisions of law. 7 USC 3201.

#### Subtitle F—Small Farm Research and Extension

##### SMALL FARM RESEARCH AND EXTENSION PROGRAMS

SEC. 1440. Section 502 of the Rural Development Act of 1972 (86 Stat. 671; 7 U.S.C. 2662) is amended by—

(1) amending subsection (c) to read as follows:

“(c) **SMALL FARM RESEARCH PROGRAMS.**—Small farm research programs shall consist of programs of research to develop new approaches for initiating and upgrading small farmer operations through management techniques, agricultural production techniques, farm machinery technology, new products, new marketing techniques, and small farm finance.”; and

(2) adding at the end thereof a new subsection (d) as follows:

“(d) **SMALL FARM EXTENSION PROGRAMS.**—Small farm extension programs shall consist of extension programs to improve operations of small farmers using, to the maximum extent practicable, paraprofessional personnel to work with small farmers on an intensive basis to initiate and improve management techniques, agricultural production techniques, farm machinery technology, marketing techniques,

and small farm finance, and to increase utilization by small farmers of existing services offered by the United States Department of Agriculture and other public and private agencies and organizations.”.

#### PROGRAM MONEYS

SEC. 1441. Section 503 of the Rural Development Act of 1972 (86 Stat. 672, as amended; 7 U.S.C. 2663) is amended by—

7 USC 2662. (1) inserting in subsection (a) a comma and the phrase “except subsections (c) and (d) of section 502,” after the phrase “this title”;

(2) redesignating subsections (c), (d), and (e) as (e), (f), and (g), respectively;

(3) adding new subsections (c) and (d) as follows:

Appropriation authorization. “(c) There are hereby authorized to be appropriated to carry out the purposes of subsections (c) and (d) of section 502 of this title not to exceed \$20,000,000 for each of the fiscal years ending September 30, 1978, and September 30, 1979.

Funds, apportionment. “(d) Such sums as Congress shall appropriate to carry out the purposes of this title pursuant to subsection (c) of this section shall be distributed by the Secretary as follows:

“(1) 4 per centum to be used by the Secretary for Federal administration;

“(2) 19 per centum to be allocated among the several States to carry out the programs authorized in subsection (c) of section 502 of this title in such amounts as determined by the Secretary; and

“(3) 77 per centum to be allocated among the several States to carry out the programs authorized in subsection (d) of section 502 of this title in such amounts as determined by the Secretary.”; and

(4) striking out in subsection (f), as redesignated by subsection (b) of this section, the word “and” after “(b),” and inserting a comma and the phrase “and (d)” after “(c)”.

#### DEFINITION OF SMALL FARMER

SEC. 1442. Section 507 of the Rural Development Act of 1972 (86 Stat. 674; 7 U.S.C. 2667) is amended by adding at the end thereof a new subsection (c) to read as follows:

“(c) ‘Small farmer’ means any farmer with gross sales from farming of \$20,000 or less per year.”.

#### REPORTS

SEC. 1443. Title V of the Rural Development Act of 1972 (86 Stat. 671-674, as amended; 7 U.S.C. 2661-2668) is amended by adding at the end thereof a new section 510 to read as follows:

#### “REPORTS

Report to Congress.  
7 USC 2670.

“SEC. 510. The Secretary shall evaluate annually the effectiveness of the programs established under subsections (c) and (d) of section 502 of this title and make a report to Congress not later than February 1 of each year on that evaluation and the operation of the programs during the preceding fiscal year.”.

## Subtitle G—1890 Land-Grant College Funding

EXTENSION AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE  
INSTITUTE

SEC. 1444. (a) There are hereby authorized to be appropriated annually such sums as Congress may determine necessary to support continuing agricultural and forestry extension at colleges eligible to receive funds under the Act of August 30, 1890 (26 Stat. 417-419, as amended; 7 U.S.C. 321-326 and 328), including Tuskegee Institute (hereinafter in this section referred to as "eligible institutions"). Beginning with the fiscal year ending September 30, 1979, there shall be appropriated under this section for each fiscal year an amount not less than 4 per centum of the total appropriations for such year under the Act of May 8, 1914 (38 Stat. 372-374, as amended; 7 U.S.C. 341-349): *Provided*, That the amount appropriated for the fiscal year ending September 30, 1979, shall not be less than the amount made available for the fiscal year ending September 30, 1978, to such eligible institutions under section 3(d) of the Act of May 8, 1914 (38 Stat. 373, as amended; 7 U.S.C. 343(d)). Funds appropriated under this section shall be used for expenses of conducting extension programs and activities, and for contributing to the retirement of employees subject to the provisions of the Act of March 4, 1940 (54 Stat. 39-40, as amended; 7 U.S.C. 331). No more than 20 per centum of the funds received by an institution in any fiscal year may be carried forward to the succeeding fiscal year.

Appropriation  
authorization.  
7 USC 3221.

(b) Beginning with the fiscal year ending September 30, 1979—

Funds,  
apportionment.

(1) any funds annually appropriated under this section up to the amount appropriated for the fiscal year ending September 30, 1978, pursuant to section 3(d) of the Act of May 8, 1914, as amended, for eligible institutions, shall be allocated among the eligible institutions in the same proportion as funds appropriated under section 3(d) of the Act of May 8, 1914, as amended, for the fiscal year ending September 30, 1978, are allocated among the eligible institutions; and

(2) any funds appropriated annually under this section in excess of an amount equal to the amount appropriated under section 3(d) of the Act of May 8, 1914, for the fiscal year ending September 30, 1978, for eligible institutions, shall be distributed as follows:

(A) A sum equal to 4 per centum of the total amount appropriated each fiscal year under this section shall be allotted to the Extension Service of the Department of Agriculture for administrative, technical, and other services, and for coordinating the extension work of the Department of Agriculture and the several States.

(B) Of the remainder, 20 per centum shall be allotted among the eligible institutions in equal proportions; 40 per centum shall be allotted among the eligible institutions in the proportion that the rural population of the State in which each eligible institution is located bears to the total rural population of all the States in which eligible institutions are located, as determined by the last preceding decennial census; and the balance shall be allotted among the eligible institutions in the proportion that the farm population of the State in which each eligible institution is located bears to the total

farm population of all the States in which the eligible institutions are located, as determined by the last preceding decennial census.

In computing the distribution of funds allocated under paragraph (2) of this subsection, the allotments to Tuskegee Institute and Alabama Agricultural and Mechanical University shall be determined as if each institution were in a separate State.

Comprehensive program of extension, submittal to Secretary of Agriculture.

(c) The State director of the cooperative extension service and the administrative head for extension at the eligible institution in each State where an eligible institution is located shall jointly develop, by mutual agreement, a comprehensive program of extension for such State to be submitted for approval by the Secretary within one year after the date of enactment of this title.

Entitlement.

(d) On or about the first day of October in each year after enactment of this title, the Secretary shall ascertain whether each eligible institution is entitled to receive its share of the annual appropriation for extension work under this section and the amount which it is entitled to receive. Before the funds herein provided shall become available to any eligible institution for any fiscal year, plans for the work to be carried out under this section shall be submitted by the proper officials of each institution and approved by the Secretary. Such sums shall be paid in equal quarterly payments on or about October 1, January 1, April 1, and July 1 of each year to the treasurer or other officer of the eligible institution duly authorized to receive such payments and such officer shall be required to report to the Secretary on or about the first day of December of each year a detailed statement of the amount so received during the previous fiscal year and its disbursement, on forms prescribed by the Secretary.

Work plans.

Report to Secretary of Agriculture.

Lost or misapplied funds.

(e) If any portion of the moneys received by any eligible institution for the support and maintenance of extension work as provided in this section shall by any action or contingency be diminished or lost or be misapplied, it shall be replaced by such institution and until so replaced no subsequent appropriation shall be apportioned or paid to such institution. No portion of such moneys shall be applied, directly or indirectly, to the purchase, erection, preservation, or repair of any building or buildings, or the purchase or rental of land, or in college course teaching, lectures in college, or any other purpose not specified in this section. It shall be the duty of such institution, annually, on or about the first day of January, to make to the Governor of the State in which it is located a full and detailed report of its operations in extension work, including a detailed statement of receipts and expenditures from all sources for this purpose, a copy of which report shall be sent to the Secretary.

Institutional operations, report to Governor.

Report to President.

(f) If the Secretary finds that an eligible institution is not entitled to receive its share of the annual appropriation, the facts and reasons therefor shall be reported to the President, and the amount involved shall be kept separate in the Treasury until the expiration of the next Congress in order that the institution may, if it should so desire, appeal to Congress from the determination of the Secretary. If the next Congress does not direct such sum to be paid, it shall be carried to surplus.

U.S. mail service, use.

(g) To the extent that the official mail consists of correspondence, bulletins, and reports for furtherance of the purposes of this section, it shall be transmitted in the mails of the United States under penalty indicia: *Provided*, That each item shall bear such indicia as are prescribed by the Postmaster General and shall be mailed under such



regulations as the Postmaster General may from time to time prescribe. Such items may be mailed from a principal place of business of each eligible institution or from an established subunit of such institution.

AGRICULTURAL RESEARCH AT 1890 LAND-GRANT COLLEGES, INCLUDING  
TUSKEGEE INSTITUTE

Sec. 1445. (a) There are hereby authorized to be appropriated annually such sums as Congress may determine necessary to support continuing agricultural research at colleges eligible to receive funds under the Act of August 30, 1890 (26 Stat. 417-419, as amended; 7 U.S.C. 321-326 and 328), including Tuskegee Institute (hereinafter referred to in this section as "eligible institutions"). Beginning with the fiscal year ending September 30, 1979, there shall be appropriated under this section for each fiscal year an amount not less than 15 per centum of the total appropriations for such year under section 3 of the Act of March 2, 1887 (24 Stat. 441, as amended; 7 U.S.C. 361c): *Provided*, That the amount appropriated for the fiscal year ending September 30, 1979, shall not be less than the amount made available in the fiscal year ending September 30, 1978, to such eligible institutions under the Act of August 4, 1965 (79 Stat. 431, 7 U.S.C. 450i). Funds appropriated under this section shall be used for expenses of conducting agricultural research, printing, disseminating the results of such research, contributing to the retirement of employees subject to the provisions of the Act of March 4, 1940 (54 Stat. 39-40, as amended; 7 U.S.C. 331), administrative planning and direction, and purchase and rental of land and the construction, acquisition, alteration, or repair of buildings necessary for conducting agricultural research. The eligible institutions are authorized to plan and conduct agricultural research in cooperation with each other and such agencies, institutions, and individuals as may contribute to the solution of agricultural problems, and moneys appropriated pursuant to this section shall be available for paying the necessary expenses of planning, coordinating, and conducting such cooperative research.

Appropriation  
authorization.  
7 USC 3222.

*Post*, p. 1018.

(b) Beginning with the fiscal year ending September 30, 1979, the funds appropriated in each fiscal year under this section shall be distributed as follows:

Funds,  
apportionment.

(1) Three per centum shall be available to the Secretary for administration of this section.

(2) The remainder shall be allotted among the eligible institutions as follows:

(A) \$100,000 to each eligible institution.

(B) Of the remaining funds, one-half in an amount which bears the same ratio to the total amount to be allotted as the rural population of the State in which the eligible institution is located bears to the total rural population of all the States in which eligible institutions are located, as determined by the last preceding decennial census; and one-half in an amount which bears the same ratio to the total amount to be allotted as the farm population of the State in which the eligible institution is located bears to the total farm population of all the States in which eligible institutions are located, as determined by the last preceding decennial census.

In computing the distribution under this paragraph, the allotments to Tuskegee Institute and Alabama Agricultural and Mechanical University shall be determined as if each institution were in a separate State.

Comprehensive  
agricultural  
research  
program,  
submittal to  
Secretary of  
Agriculture.

(c) The director of the State agricultural experiment station in each State where an eligible institution is located and the chief administrative officer specified in subsection (d) of this section in each of the eligible institutions in such State shall jointly develop, by mutual agreement, a comprehensive program of agricultural research in such State, to be submitted for approval by the Secretary within one year after the date of enactment of this title.

Chief  
administrative  
officer,  
appointment.  
Treasurer,  
designation.  
Report to  
Secretary of  
Agriculture.

(d) Sums available for allotment to the eligible institutions under the terms of this section shall be paid to such institutions in equal quarterly payments beginning on or about the first day of October of each year upon vouchers approved by the Secretary. The President of each eligible institution shall appoint a chief administrative officer who shall be responsible for administration of the program authorized herein. Each eligible institution shall designate a treasurer or other officer who shall receive and account for all funds allotted to such institution under the provisions of this section and shall report, with the approval of the chief administrative officer, to the Secretary on or before the first day of December of each year a detailed statement of the amount received under the provisions of this section during the preceding fiscal year and its disbursement on schedules prescribed by the Secretary. If any portion of the allotted moneys received by any eligible institution shall by any action or contingency be diminished, lost, or misapplied, it shall be replaced by such institution and until so replaced no subsequent appropriation shall be allotted or paid to such institution. Funds made available to eligible institutions shall not be used for payment of negotiated overhead or indirect cost rates.

Lost or  
misapplied funds.

U.S. mail service,  
use.

(e) Bulletins, reports, periodicals, reprints or articles, and other publications necessary for the dissemination of results of the research and experiments funded under this section, including lists of publications available for distribution by the eligible institutions, shall be transmitted in the mails of the United States under penalty indicia: *Provided*, That each publication shall bear such indicia as are prescribed by the Postmaster General and shall be mailed under such regulations as the Postmaster General may from time to time prescribe. Such publications may be mailed from the principal place of business of each eligible institution or from an established subunit of such institution.

Rules and  
regulations.

(f) The Secretary shall be responsible for the proper administration of this section, and is authorized and directed to prescribe such rules and regulations as may be necessary to carry out its provisions. It shall be the duty of the Secretary to furnish such advice and assistance as will best promote the purposes of this section, including participation in coordination of research initiated under this section by the eligible institutions, from time to time to indicate such lines of inquiry as to the Secretary seem most important, and to encourage and assist in the establishment and maintenance of cooperation by and between the several eligible institutions, the State agricultural experiment stations, and between them and the Department of Agriculture.

Unexpended  
funds.

(g) (1) On or before the first day of October in each year after the enactment of this title, the Secretary shall ascertain whether each eligible institution is entitled to receive its share of the annual appropriations under this section and the amount which thereupon each is entitled, respectively, to receive.

(2) Whenever it shall appear to the Secretary from the annual statement of receipts and expenditures of funds by any eligible institution that any portion of the preceding annual appropriation allotted to that institution under this section remains unexpended, such amount

shall be deducted from the next succeeding annual allotment to the institution.

(3) If the Secretary withholds from any eligible institution any portion of the appropriations available for allotment, the facts and reasons therefor shall be reported to the President and the amount involved shall be kept separate in the Treasury until the close of the next Congress. If the next Congress does not direct such sum to be paid, it shall be carried to surplus.

Report to  
President.

(4) The Secretary shall make an annual report to Congress during the first regular session of each year of the receipts and expenditures and work of the eligible institutions under the provisions of this section and also whether any portion of the appropriation available for allotment to any institution has been withheld and if so the reasons therefor.

Report to  
Congress.

(h) Nothing in this section shall be construed to impair or modify the legal relationship existing between any of the eligible institutions and the government of the States in which they are respectively located.

## Subtitle H—Solar Energy Research and Development

### PART 1—EXISTING PROGRAMS

#### AGRICULTURAL RESEARCH

SEC. 1446. Section 1 of the Act of June 29, 1935 (49 Stat. 436, as amended; 7 U.S.C. 427), is amended by—

(1) inserting after “electricity and other forms of power;” in the third sentence the following: “research and development relating to uses of solar energy with respect to farm buildings, farm homes, and farm machinery (including equipment used to dry and cure crops and provide irrigation);”; and

(2) adding at the end thereof the following new sentence: “For purposes of this title, the term ‘solar energy’ means energy derived from sources (other than fossil fuels) and technologies included in the Federal Non-Nuclear Energy Research and Development Act of 1974, as amended.”.

“Solar energy.”

42 USC 5901  
note.

#### AGRICULTURAL EXTENSION

SEC. 1447. The Act of May 8, 1914 (38 Stat. 372–374, as amended; 7 U.S.C. 341–349), is amended by—

(1) inserting after “subjects relating to agriculture” in section 1 the following: “, uses of solar energy with respect to agriculture,”;

7 USC 341.

(2) adding at the end of section 1 the following new sentence: “For the purposes of this Act, the term ‘solar energy’ means energy derived from sources (other than fossil fuels) and technologies included in the Federal Non-Nuclear Energy Research and Development Act of 1974, as amended.”; and

“Solar energy.”

(3) inserting after “demonstrations in agriculture” in section 2 the following: “, uses of solar energy with respect to agriculture,”.

7 USC 342.

#### RURAL DEVELOPMENT

SEC. 1448. (a) Section 303 of the Consolidated Farm and Rural Development Act (75 Stat. 307, as amended; 7 U.S.C. 1923) is amended by inserting “(a)” immediately before the first sentence and by adding the following new subsection:

## Definitions.

“(b) For purposes of this subtitle—

“(1) the term ‘improving farms’ includes, but is not limited to, the acquisition and installation of any qualified non-fossil energy system in any residential structure located on a family farm; and

“(2) the term ‘qualified non-fossil energy system’ means any system that utilizes technologies to generate fuel, energy, or energy intensive products from products other than fossil fuels as included in the Federal Non-Nuclear Energy Research and Development Act of 1974, as amended, which meets such standards as may be prescribed by the Secretary, taking into consideration appropriate and available standards prescribed by the Secretary of Housing and Urban Development.”.

42 USC 5901  
note.

(b) Section 312(a) of the Consolidated Farm and Rural Development Act (75 Stat. 312, as amended; 7 U.S.C. 1942(a)) is amended by—

(1) inserting after “poultry, and farm equipment” in clause (2) the following: “(including equipment which utilizes solar energy)”; and

“Solar energy.”

(2) adding at the end thereof a new sentence as follows: “For the purposes of this subtitle, the term ‘solar energy’ means energy derived from sources (other than fossil fuels) and technologies included in the Federal Non-Nuclear Energy Research and Development Act of 1974, as amended.”.

## PART 2—COMPETITIVE GRANTS PROGRAM

Solar energy  
research.  
7 USC 3241.

SEC. 1449. The Secretary shall carry out a program of competitive grants to persons and organizations, subject to the requirements and conditions provided for in sections 2(e), 2(f), and 2(h) of the Act of August 4, 1965 (79 Stat. 431; 7 U.S.C. 450i), as amended by section 1414 of this title, for carrying out research and development relating to—

(1) uses of solar energy with respect to farm buildings, farm homes, and farm machinery (including, but not limited to, equipment used to dry or cure farm crops or forest products, or to provide irrigation); and

(2) uses of biomass derived from solar energy, including farm and forest products, byproducts, and residues, as substitutes for nonrenewable fuels and petrochemicals.

## PART 3—INFORMATION SYSTEM AND ADVISORY COMMITTEE

## SOLAR ENERGY RESEARCH INFORMATION SYSTEM

Solar energy  
research projects,  
compilation.  
7 USC 3251.

SEC. 1450. The Secretary shall, through the Cooperative State Research Service and other agencies within the Department of Agriculture which the Secretary considers appropriate, in consultation with the Energy Research and Development Administration, other appropriate United States Government agencies, the National Academy of Sciences, and private and nonprofit institutions involved in solar energy research projects, by June 1, 1978, and by June 1 in each year thereafter, make a compilation of solar energy research projects related to agriculture which are being carried out during such year by Federal, State, private, and nonprofit institutions and, where available, the results of such projects. Such compilations may include, but are not limited to, projects dealing with heating and cooling methods for farm structures and dwellings (such as greenhouses, curing barns, and livestock shelters), storage of power, operation of farm equipment

(including irrigation pumps, crop dryers and curers, and electric vehicles), and the development of new technologies to be used on farms which are powered by other than fossil fuels or derivatives thereof.

#### ADVISORY COMMITTEE

SEC. 1451. In order to assist the Secretary in carrying out functions assigned to the Secretary under part 4 of this subtitle, the Secretary is authorized to establish an advisory committee within the Department of Agriculture or utilize an existing advisory committee, if a suitable one exists, for such purposes.

Establishment,  
authorization.  
7 USC 3252.

### PART 4—MODEL FARMS AND DEMONSTRATION PROJECTS

#### MODEL FARMS

SEC. 1452. (a) In order to promote the establishment and operation of solar energy demonstration farms within each State, the Secretary shall distribute funds to carry out the activities described in subsections (b) and (c) of this section and section 1453 of this title to one or more of the following in each State: the State department of agriculture, the State cooperative extension service, the State agricultural experiment station, forestry schools eligible to receive funds under the Act of October 10, 1962 (76 Stat. 806-807, as amended; 16 U.S.C. 582a, 582a-1—582a-7), or colleges and universities eligible to receive funds under the Act of August 30, 1890 (26 Stat. 417-419, as amended; 7 U.S.C. 321-326 and 328), including Tuskegee Institute (hereinafter in this part referred to as "eligible institutions"), in accordance with such rules and regulations as the Secretary may prescribe.

7 USC 3261.

(b) The recipient or recipients in such State shall—

(1) establish at least one large model farm which—

(A) demonstrates all the solar energy projects determined by the Secretary, in consultation with the recipient or recipients, to be useful and beneficial to the State;

(B) is located in the State on land owned or operated by that State and, if practicable, on the State agricultural experiment station farm land; and

(C) includes other farming practices, such as raising livestock and crops, in order to provide a model of a farm which applies new and improved methods of agriculture through the use of solar energy as a means of heating, cooling, drying, or curing crops, and providing other farm needs;

(2) sell the products of the model farm established under paragraph (1) of this subsection and pay to the Secretary that portion of the proceeds received through each such sale as bears the same proportion to the total proceeds as the grants under this section bear to the total cost of operating the farm. The Secretary shall deposit such funds into a fund which shall be available without fiscal year limitation for use in carrying out the provisions of this part;

Sale of farm  
produce.

(3) provide tours of the model farm to farmers and other interested groups and individuals and, upon request, provide such farmers, groups, and individuals with information concerning the operation of such model farm and the demonstrations, if any, established by it under section 1453 of this title;

Farm tours.

(4) determine the costs of energy, the income, and the total cost of the model farm; and

Cost  
determination.

Report to  
Secretary of  
Agriculture.

(5) annually compile a report concerning energy usage, income costs, operating difficulties, and farmer interest with respect to the model farm and the demonstrations, if any, established by it under section 1453 of this title, and submit the report to the Secretary along with any recommendations concerning project changes and specific needs of such farm or demonstrations.

(c) The results obtained from each model farm established under subsection (b) of this section which prove to be economically practical shall be extended to other farms in each State through the State cooperative extension service as part of its ongoing energy management and conservation education programs.

#### DEMONSTRATION PROJECTS

Establishment.  
7 USC 3262.

SEC. 1453. (a) During each calendar year after the first two calendar years for which eligible institutions in a State receive grants pursuant to section 1452 of this title the recipient or recipients of such grants in each State, in consultation with the Secretary, shall establish not less than ten demonstrations of solar energy projects which they shall select from among the projects demonstrated on the model farm established in the State pursuant to section 1452 of this title. Such demonstrations shall be carried out on farms which are already operating in the State.

Agreements.

(b) The recipient or recipients in each State shall enter into written agreements with persons who own farms and who are willing to carry out solar energy project demonstrations under this section. Such agreements shall include the following provisions concerning solar energy projects which the owners agree to demonstrate on such farms:

(1) The owner shall carry out the projects on the farm for such period as the Secretary determines to be necessary to fairly demonstrate them.

(2) Tools, equipment, seeds, seedlings, fertilizer, equipment, and other agricultural materials and technology which are necessary to carry out the projects and which, on the date of such agreement, are not commonly being used on farms in such State, shall be provided by the recipient or recipients.

(3) During the demonstration period, the recipient or recipients, with the assistance of the Extension Service of the Department of Agriculture, shall provide the owner with technical assistance concerning such projects.

(4) During the demonstration period and for such other periods as the recipient or recipients deem necessary, the owner shall—

Recordkeeping.

(A) keep a monthly record for the farm of changes, if any, in energy usage and costs, the amount of agricultural commodities produced, the costs of producing such amount, and the income derived from producing such amount, and of such other data concerning the projects as the recipient or recipients may require; and

Records,  
transmittal.

(B) transmit to the recipient or recipients such monthly records, along with a report containing his or her findings, conclusions, and recommendations concerning the projects.

(5) During the demonstration period, the owner shall give tours of the farm to farmers and other interested groups and individuals and provide them with a summary of the costs of carrying out such projects.

(6) All right, title, and interest to any agricultural commodity produced on the farm as a result of the projects shall be in the owner.

(7) At the end of the demonstration period, the owner shall have all right, title, and interest to any materials and technology provided under paragraph (2) of this subsection.

(8) Such other provisions as the Secretary may, by rule, require. Rules.

#### AUTHORIZATION FOR APPROPRIATIONS

SEC. 1454. There are hereby authorized to be appropriated for distribution to eligible institutions for use in establishing model farms and solar energy project demonstrations under the provisions of this part, \$20,000,000 for the period beginning October 1, 1977, and ending September 30, 1981, and thereafter such sums as may subsequent to the date of enactment of this title be authorized by law for any subsequent fiscal year. 7 USC 3263.

#### PART 5—REGIONAL SOLAR ENERGY RESEARCH AND DEVELOPMENT CENTERS

SEC. 1455. In order to provide for agricultural research, development, and demonstration projects having a national or regional application, the Secretary shall establish in existing Federal facilities or in cooperation with State and local government agencies, including State departments of agriculture, colleges and universities, or other qualified persons and organizations, including local nonprofit research groups, not less than three nor more than five regional solar energy research, development, and demonstration centers in the United States for the performance of agricultural research, extension work, and demonstration projects relating to use of solar energy with respect to farm buildings, farm homes, and farm machinery (including equipment used to dry and cure crops and provide irrigation), to be variously located so as to reflect the unique solar characteristics of different latitudes and climatic regions within the United States. Funds used in the operation of such regional centers may be used for the rehabilitation of existing buildings or facilities to house such centers, but may not be used for the construction or acquisition of new buildings. Establishment. 7 USC 3271.

#### PART 6—APPROPRIATIONS AND DEFINITIONS

##### AUTHORIZATION FOR APPROPRIATIONS

SEC. 1456. There are hereby authorized to be appropriated such funds as are necessary to carry out the provisions of parts 2, 3, and 5 of this subtitle. 7 USC 3281.

##### DEFINITIONS

SEC. 1457. For purposes of this subtitle— 7 USC 3282.

(1) the term “solar energy” means energy derived from sources (other than fossil fuels) and technologies included in the Federal Non-Nuclear Energy Research and Development Act of 1974, as amended; and

(2) the term “State” means any State of the United States, the Commonwealth of Puerto Rico, Guam, the District of Columbia, American Samoa, and the Virgin Islands of the United States.

##### Subtitle I—International Agricultural Research and Extension

SEC. 1458. The Secretary, subject to such coordination with other Federal officials, departments, and agencies as the President may direct, is authorized to— 7 USC 3291.

(1) expand the operational coordination of the Department of Agriculture with institutions and other persons throughout the world performing agricultural research and extension activities by exchanging research materials and results with such institutions or persons and by conducting with such institutions or persons joint or coordinated research and extension on problems of significance to agriculture in the United States;

(2) assist the Agency for International Development with agricultural research and extension programs in developing countries;

(3) work with developed countries on agricultural research and extension, including the stationing of United States scientists at national and international institutions in such countries;

(4) assist United States colleges and universities in strengthening their capabilities for agricultural research and extension relevant to agricultural development activities overseas; and

(5) further develop within the Department of Agriculture highly qualified experienced scientists who specialize in international programs, to be available for the activities described in this section.

#### Subtitle J—Studies

##### EVALUATION OF THE EXTENSION SERVICE AND THE COOPERATIVE EXTENSION SERVICES

Transmittal to  
Congress.  
7 USC 3301.

SEC. 1459. The Secretary shall transmit to Congress, not later than March 31, 1979, an evaluation of the economic and social consequences of the programs of the Extension Service and the cooperative extension services, including those programs relating to agricultural production and distribution, home economics, nutrition education (including the Expanded Family and Nutrition Education Program), community development, and 4-H youth programs.

##### WEATHER AND WATER ALLOCATION STUDY

Report to  
President and  
Congress.  
7 USC 3302.

SEC. 1460. The Secretary shall conduct a comprehensive study of the effects of changing climate and weather on crop and livestock productivity and, within twelve months after the date of the enactment of this title, submit to the President and Congress a report together with pertinent recommendations, on this study. The study shall include—

(1) an assessment of current climate and weather conditions in the United States and the possible impact of changes in climate and weather conditions on the Nation's economy and future food and feed availability and prices;

(2) a review of Federal and State water allocation policies; and

(3) a consideration of strategies and techniques for dealing with water shortages in the United States that could occur if current climate and weather conditions continue or become more severe.

##### ORGANIC FARMING STUDY

Report to  
President and  
Congress.  
7 USC 3303.

SEC. 1461. The Secretary shall conduct, and, within twelve months after the date of enactment of this title, submit to the President and Congress a report containing the results of and the Secretary's recommendations concerning, an investigation and analysis of the practicability, desirability, and feasibility of collecting organic waste



materials, including manure, crop and food wastes, industrial organic waste, municipal sewage sludge, logging and wood-manufacturing residues, and any other organic refuse, composting or similarly treating such materials, and transporting and placing such materials onto the land to improve soil tilth and fertility. The analysis shall include the projected cost of such collection, transportation, and placement in accordance with sound locally approved soil and water conservation practices.

#### AGRICULTURAL RESEARCH FACILITIES STUDY

SEC. 1462. (a) The Secretary shall conduct a comprehensive study of the status and future needs of agricultural research facilities and, within fourteen months after the date of enactment of this title, submit to the President and Congress a report on this study.

Report to  
President and  
Congress,  
7 USC 3304.

(b)(1) The report shall cover agricultural research facilities and materials including, but not limited to, buildings and farms, laboratories, plant, seed, genetic stock, insect, virus, and animal collections, and lease and purchase items such as computers, laboratory instruments, and related equipment.

(2) The report shall include recommendations for a program to provide the United States with the most modern and efficient system of research facilities needed to advance agricultural research in all fields, and recommendations with regard to priority requirements for research instrumentation and facilities needing modernization, construction, or renovation in accordance with the requirements of State, regional, and national priority programs of research and based on the fullest utilization of human, monetary, and physical resources.

#### Subtitle K—Funding and Miscellaneous Provisions

##### AUTHORIZATION FOR APPROPRIATIONS FOR EXISTING AND CERTAIN NEW AGRICULTURAL RESEARCH PROGRAMS

SEC. 1463. (a) Notwithstanding any authorization for appropriations for agricultural research in any Act enacted prior to the date of enactment of this title, there are hereby authorized to be appropriated for the purposes of carrying out the provisions of this title, except subtitle H and sections 1416, 1417, 1419, 1420, and the competitive grants program provided for in section 1414, and except that the authorization for moneys provided under the Act of March 2, 1887 (24 Stat. 440-442, as amended; 7 U.S.C. 361a-361i), is excluded and is provided for in subsection (b) of this section, \$505,000,000 for the fiscal year ending September 30, 1978, \$575,000,000 for the fiscal year ending September 30, 1979, \$645,000,000 for the fiscal year ending September 30, 1980, \$715,000,000 for the fiscal year ending September 30, 1981, and \$780,000,000 for the fiscal year ending September 30, 1982, and not in excess of such sums as may after the date of enactment of this title be authorized by law for any subsequent fiscal year.

7 USC 3311.

(b) Notwithstanding any authorization for appropriations for agricultural research at State agricultural experiment stations in any Act enacted prior to the date of enactment of this title, there are hereby authorized to be appropriated for the purpose of conducting agricultural research at State agricultural experiment stations pursuant to the Act of March 2, 1887 (24 Stat. 440-442, as amended; 7 U.S.C. 361a-361i), \$120,000,000 for the fiscal year ending September 30, 1978, \$145,000,000 for the fiscal year ending September 30, 1979, \$170,000,000 for the fiscal year ending September 30, 1980, \$195,000,000 for the fiscal

year ending September 30, 1981, and \$220,000,000 for the fiscal year ending September 30, 1982, and not in excess of such sums as may after the date of enactment of this title be authorized by law for any subsequent fiscal year.

AUTHORIZATION FOR APPROPRIATIONS FOR EXTENSION EDUCATION

7 USC 3312.

SEC. 1464. Notwithstanding any authorization for appropriations for the Cooperative Extension Service in any Act enacted prior to the date of enactment of this title, there are hereby authorized to be appropriated for the purposes of carrying out the extension programs of the Department of Agriculture \$260,000,000 for the fiscal year ending September 30, 1978, \$280,000,000 for the fiscal year ending September 30, 1979, \$300,000,000 for the fiscal year ending September 30, 1980, \$320,000,000 for the fiscal year ending September 30, 1981, and \$350,000,000 for the fiscal year ending September 30, 1982, and not in excess of such sums as may after the date of enactment of this title be authorized by law for any subsequent fiscal year.

EXTENSION PROGRAMS FOR GUAM AND THE VIRGIN ISLANDS OF THE UNITED STATES

Matching funds.

SEC. 1465. Section 3 of the Act of May 8, 1914 (38 Stat. 373, as amended; 7 U.S.C. 343), is amended by adding thereto a new subsection (e) to read as follows:

“(e) Insofar as the provisions of subsections (b) and (c) of this section, which require or permit Congress to require matching of Federal funds, apply to the Virgin Islands of the United States and Guam, such provisions shall be deemed to have been satisfied, for the fiscal years ending September 30, 1978, and September 30, 1979, only, if the amounts budgeted and available for expenditure by the Virgin Islands of the United States and Guam in such years equal the amounts budgeted and available for expenditure by the Virgin Islands of the United States and Guam in the fiscal year ending September 30, 1977.”.

AMENDMENTS TO THE HATCH ACT

Repeal.

SEC. 1466. (a) Section 3(c)(4) of the Act of March 2, 1887 (24 Stat. 441, as amended; 7 U.S.C. 361c(c)(4)), is hereby repealed.

(b) Section 3(c)(5) of such Act (24 Stat. 441, as amended; 7 U.S.C. 361c(c)(5)) is amended by adding at the end thereof a new sentence to read as follows: “These administrative funds may be used for transportation of scientists who are not officers or employees of the United States to research meetings convened for the purpose of assessing research opportunities or research planning.”.

PAYMENT OF FUNDS

7 USC 3313.

SEC. 1467. Except as provided elsewhere in this Act or any other Act of Congress, funds available for allotment under this title shall be paid to each eligible institution or State at such time and in such amounts as shall be determined by the Secretary.

WITHHOLDING OF FUNDS

Report to  
President.  
7 USC 3314.

SEC. 1468. Except as provided elsewhere in this Act or any other Act of Congress, if the Secretary determines that an institution or State is not entitled to receive its allotment of an annual appropria-

tion under any provision of this title because of a failure to satisfy requirements of this title or regulations issued under it, the Secretary shall withhold such amounts, the facts and reasons concerning the determination and withholding shall be reported to the President, and the amount involved shall be deposited in the miscellaneous receipts of the Treasury.

AUDITING, REPORTING, BOOKKEEPING, AND ADMINISTRATIVE REQUIREMENTS

SEC. 1469. Except as provided elsewhere in this Act or any other Act of Congress— 7 USC 3315.

(1) assistance provided under this title shall be subject to the provisions of sections 2(e), 2(f), and 2(h) of the Act of August 4, 1965 (79 Stat. 431; 7 U.S.C. 450i), as amended by section 1414 of this title;

(2) the Secretary shall provide that each recipient of assistance under this title shall submit an annual report, at such times and on such forms as the Secretary shall prescribe, stating the accomplishments of projects (on a project-by-project basis) for which such assistance was used and accounting for the use of all such assistance. If the Secretary determines that any portion of funds made available under this title has been lost or applied in a manner inconsistent with the provisions of this title or regulations issued thereunder the recipient of such funds shall reimburse the Federal Government for the funds lost or so applied, and the Secretary shall not make available to such recipient any additional funds under this Act until the recipient has so reimbursed the Federal Government;

Lost or  
misapplied funds.

(3) three per centum of the appropriations shall be retained by the Secretary for the administration of the programs authorized under this title; and

(4) the Secretary shall establish appropriate criteria for grant and assistance approval and necessary regulations pertaining thereto.

RULES AND REGULATIONS

SEC. 1470. The Secretary is authorized to issue such rules and regulations as the Secretary deems necessary to carry out the provisions of this title. 7 USC 3316.

TITLE XV—RURAL DEVELOPMENT AND  
CONSERVATION

AGRICULTURAL CONSERVATION PROGRAM

SEC. 1501. (a) Section 8 of the Soil Conservation and Domestic Allotment Act (49 Stat. 1149, as amended; 16 U.S.C. 590h) is amended by—

(1) striking out the first three sentences of subsection (b) and inserting in lieu thereof the following: "The Secretary is authorized to carry out the policy and purposes specified in section 7 (a) of this Act by providing financial assistance to agricultural producers for carrying out enduring conservation and environmental enhancement measures. Eligibility for financial assistance shall be based upon the existence of a conservation or environmental prob-

Conservation and  
environmental  
assistance.

lem which reduces the productive capacity of the Nation's land and water resources or causes degradation of environmental quality.

"The amount of financial assistance to be provided shall be that portion of the cost of installing conservation and environmental enhancement measures which the Secretary determines is necessary. In determining the level of payment, consideration will be given to (A) the amount of expected conservation or environmental benefit accruing to society, (B) the total cost of carrying out the needed measures, (C) the degree to which appropriate conservation or pollution abatement practices will be applied in the absence of financial assistance, and (D) in order to avoid duplication of assistance, the degree to which the agricultural producer benefits from other public programs for conservation and environmental enhancement.

"The Secretary, in formulating the national program, shall take into consideration (A) the need to control erosion and sedimentation from agricultural land and to conserve the water resources on such land, (B) the need to control pollution from animal wastes, (C) the need to facilitate sound resources management systems through soil and water conservation, (D) the need to encourage voluntary compliance by agricultural producers with Federal and State requirements to solve point and nonpoint sources of pollution, (E) national priorities reflected in the National Environmental Policy Act of 1969 and other congressional and administrative actions, (F) the degree to which the measures contribute to the national objective of assuring a continuous supply of food and fiber necessary for the maintenance of a strong and healthy people and economy, and (G) the type of conservation measures needed to improve water quality in rural America.";

(2) designating as a separate paragraph that portion of the first paragraph of subsection (b) not amended by paragraph (1) of this subsection; and

(3) striking out the first three paragraphs of subsection (e) and inserting in lieu thereof the following: "Payments made by the Secretary under subsection (b) of this section to agricultural producers shall be divided among landlords, tenants, and sharecroppers in proportion to the extent such landlords, tenants, and sharecroppers contribute to the cost of carrying out the conservation or environmental enhancement measures. The maximum payment which may be made to any person shall be determined by the Secretary."

(b) Section 15 of the Soil Conservation and Domestic Allotment Act (49 Stat. 1151, as amended; 16 U.S.C. 590o) is amended by—

(1) adding at the end of the first sentence three new sentences as follows: "The amount appropriated shall be available until expended. A specified amount or percentage of the appropriation shall be designated for long-term agreements based on farm and ranch conservation plans approved by local conservation districts, where such districts are organized. The Secretary shall distribute the funds available for financial assistance among the several States in accordance with their conservation needs, as determined by the Secretary."; and

(2) striking out the second paragraph.

42 USC 4321  
note.

Funds,  
apportionment.

Funds for long-  
term agreements.

INCLUSION OF AQUACULTURE AND HUMAN NUTRITION AMONG THE  
BASIC FUNCTIONS OF THE DEPARTMENT OF AGRICULTURE

SEC. 1502. (a) Section 520 of the Revised Statutes, as amended (7 U.S.C. 2201), is amended by striking out "agriculture and rural development" and inserting in lieu thereof "agriculture, rural development, aquaculture, and human nutrition."

(b) Subsection (a) of section 526 of the Revised Statutes, as amended (7 U.S.C. 2204(a)), is amended by striking out "agriculture and rural development" and inserting in lieu thereof "agriculture, rural development, aquaculture, and human nutrition".

AQUACULTURE LOAN AUTHORITY

SEC. 1503. (a) Section 32(e) of title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 526, as amended; 7 U.S.C. 1011(e)) is amended by—

(1) inserting immediately after "land utilization" the following: "or plans for the conservation, development, and utilization of water for aquacultural purposes"; and

(2) inserting immediately before the second sentence a new sentence as follows: "As used in this subsection, the term 'aquaculture' means the culture or husbandry of aquatic animals or plants."

"Aquaculture."

(b) Section 310B(a) of subtitle A of the Consolidated Farm and Rural Development Act (86 Stat. 663; 7 U.S.C. 1932(a)) is amended by—

(1) striking out the period at the end of the first sentence and inserting in lieu thereof the following: ", and the conservation, development, and utilization of water for aquaculture purposes." ; and

(2) adding at the end thereof a new sentence as follows: "As used in this subsection, the term 'aquaculture' means the culture or husbandry of aquatic animals or plants by private industry for commercial purposes including the culture and growing of fish by private industry for the purpose of creating or augmenting publicly owned and regulated stocks of fish."

"Aquaculture."

DISPOSITION OF EXCESS FEDERAL PROPERTY TO RURAL FIRE FORCES

SEC. 1504. Section 402 of the Rural Development Act of 1972 (86 Stat. 670; 7 U.S.C. 2652) is amended by inserting "(a)" before the first sentence and adding at the end thereof new subsections (b) and (c) as follows:

"(b) The Secretary, with cooperation and assistance from the Administrator of the General Services Administration, shall encourage the use of excess personal property (within the meaning of the Federal Property and Administrative Services Act of 1949) by rural fire forces receiving assistance under this title.

40 USC 471 note

"(c) To promote maximum program effectiveness and economy, the Secretary shall closely coordinate the assistance provided under this title with assistance provided under other fire protection and rural development programs administered by the Secretary."

RURAL COMMUNITY FIRE PROTECTION PROGRAM

SEC. 1505. Section 404 of the Rural Development Act of 1972 (86 Stat. 671, as amended; 7 U.S.C. 2654) is amended by adding at the end thereof a new sentence as follows: "There is further authorized

Appropriation  
authorization.

to be appropriated to carry out the provisions of this title not to exceed \$7,000,000 for each of the fiscal years ending September 30, 1978, September 30, 1979, and September 30, 1980.”

CONGRESSIONAL APPROVAL OF WATERSHED PROTECTION AND FLOOD  
PREVENTION PROJECTS

SEC. 1506. The Watershed Protection and Flood Prevention Act (68 Stat. 666, as amended) is amended as follows:

(a) Section 2 (16 U.S.C. 1002) is amended by striking out “\$250,000” and inserting in lieu thereof “\$1,000,000”.

(b) Section 5(3) (16 U.S.C. 1005(3)) is amended by striking out “\$250,000” and inserting in lieu thereof “\$1,000,000”.

(c) Section 5(4) (16 U.S.C. 1005(4)) is amended by striking out “\$250,000” and inserting in lieu thereof “\$1,000,000”.

CONGRESSIONAL APPROVAL OF RESOURCE CONSERVATION AND  
DEVELOPMENT PROJECT LOANS

SEC. 1507. The third sentence of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525, as amended; 7 U.S.C. 1011(e)) is amended by striking out “\$250,000” and inserting in lieu thereof “\$500,000”.

WATERSHED LOAN AUTHORITY

SEC. 1508. The last sentence of section 8 of the Watershed Protection and Flood Prevention Act (70 Stat. 1090, as amended; 16 U.S.C. 1006a) is amended by striking out “five million dollars” and inserting in lieu thereof “\$10,000,000”.

MULTIYEAR SET-ASIDE

SEC. 1509. Section 1005 of the Agricultural Act of 1970, as added by the Agriculture and Consumer Protection Act of 1973 (87 Stat. 243; 16 U.S.C. 1505) is amended by—

(1) striking out “1977” and inserting in lieu thereof “1981”;

(2) striking out “1978” and inserting in lieu thereof “1982”;

and

(3) amending the fourth sentence to read as follows: “Grazing of livestock under this section shall be prohibited, except in areas of a major disaster as determined by the President if the Secretary finds there is a need therefor, as a result of such disaster.”

AUTHORITY TO MAKE DEFERRED LOAN PAYMENTS

SEC. 1510. The Consolidated Farm and Rural Development Act (75 Stat. 307, as amended) is amended as follows:

(a) Section 309 (7 U.S.C. 1929) is amended by adding in subsection (f) (3) between the words “any” and “defaulted” the words “deferred or”.

(b) Section 309A (7 U.S.C. 1929a) is amended by adding in subsection (g) (3) between the words “any” and “defaulted” the words “deferred or”.

CRITICAL LANDS RESOURCE CONSERVATION PROGRAM

16 USC 590q-3.

SEC. 1511. Notwithstanding any other provision of law—

(a) The Secretary of Agriculture is authorized to formulate and carry out a program with owners and operators of land in the Great

Plains area as described in section 16(b) of the Soil Conservation and Domestic Allotment Act (49 Stat. 1151, as amended; 16 U.S.C. 590p(b)) to reduce runoff, soil and water erosion, and otherwise to promote the conservation of soil and water resources in such area through the conversion of cropland from soil depleting uses to conserving uses including the production of soil conserving cover crops.

(b) To effectuate the purposes of the program, the Secretary may enter into an agreement for a two-year period with an owner or operator as described in subsection (a) whereby the owner or operator shall agree to devote to a soil conserving cover crop a specifically designated acreage of cropland on the farm up to 50 per centum of the acreage which had been planted to any soil depleting crop or crops in any of the two years preceding the date of the agreement. The agreement shall be renewable for annual periods thereafter subject to the mutual agreement of the owner or operator and the Secretary. In such agreement, the owner or operator shall agree (1) to plant a legume, or if not adapted to such area, an annual, biennial, or a perennial cover crop, as specified in the agreement; (2) to divert from production such portion of one or more crops designated by the Secretary as the Secretary determines necessary to effectuate the purpose of the program; (3) not to harvest any crop from or graze the designated acreage during the agreement period, unless the Secretary determines that it is necessary to permit grazing or harvesting in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster, and consents to such grazing or harvesting subject to an appropriate reduction in the rate of payment; (4) to give adequate assurance, as specified by the Secretary, that the land was not acquired for the purpose of placing it in the program: *Provided*, That the foregoing provision shall not prohibit the continuation of an agreement by a new owner if an agreement has once been entered into under this section nor prevent an owner or operator from placing a farm in the program if the farm was acquired by the owner to replace an eligible farm from which he was displaced because of its acquisition by any Federal, State, or other agency having the right of eminent domain; (5) to forfeit all rights to further payments under the agreement and refund to the United States all payments received thereunder upon his violation of the agreement at any stage during the time he has control of the land if the Secretary determines that such violation is of such a nature as to warrant termination of the agreement, or to make refunds or accept such payment adjustments as the Secretary may deem appropriate if the Secretary determines that the violation by the owner or operator does not warrant termination of the agreement; (6) upon transfer of his right and interest in the farm, during the agreement period, to forfeit all rights to further payments under the agreement and refund to the United States all payments received thereunder unless the transferee of any such land agrees with the Secretary to assume all obligations of the agreement; (7) not to adopt any practice specified by the Secretary in the agreement as a practice which would tend to defeat the purposes of the agreement; and (8) to such additional provisions as the Secretary determines are desirable to effectuate the purposes of the program or to facilitate the practical administration of the program, including such measures as the Secretary may deem appropriate to keep the designated acreage from eroding and free from weeds and rodents in accordance with good conservation systems.

(c) In consideration for such agreement, the Secretary shall make annual adjustment payments to the owner or operator for the period of

Agreement.

Annual  
adjustment  
payments.

the agreement at such rate or rates not in excess of \$30 per acre as the Secretary determines to be fair and reasonable. The Secretary may use an advertising and bid procedure in determining the lands in any area to be covered by agreements and the payment rate therefor. The Secretary and the owner or operator may agree that the annual adjustment payments for the agreement period shall be made either upon approval of the agreement or in such installments as they may agree to be desirable: *Provided*, That for each year any annual adjustment payment is made in advance of performance, the annual adjustment payment shall be reduced by 5 per centum.

## Termination.

(d) The Secretary may terminate any agreement under the program, by mutual agreement with the owner or operator, if the Secretary determines that such termination would be in the public interest, and may agree with the owner or operator to such modification of agreements as the Secretary may determine to be desirable to carry out the purposes of the program or facilitate its administration.

## Regulations.

(e) The Secretary may, to the extent the Secretary deems it desirable, provide by appropriate regulations for preservation of cropland, crop acreage, and allotment history applicable to acreage diverted from the production of crops to establish vegetative cover for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation or for participation in such program.

## Federal and non-Federal offices, utilization.

(f) In carrying out the program, the Secretary shall utilize the services of local, county, and State committees established under section 8 of the Soil Conservation and Domestic Allotment Act (49 Stat. 1149, as amended; 16 U.S.C. 590h) and the technical services of the Soil Conservation Service and soil and water conservation districts.

## Program payments.

(g) In case any producer who is entitled to any payment under the program dies, becomes incompetent, or disappears before receiving such payment, or is succeeded by another who renders or completes the required performance, the payment shall, without regard to any other provisions of law, be made as the Secretary may determine to be fair and reasonable.

## Tenants and sharecroppers.

(h) 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.

## Regulations.

(i) The Secretary shall prescribe such regulations as the Secretary determines necessary to carry out the provisions of this section.

## Appropriation authorization.

(j) There are hereby authorized to be appropriated for the period beginning October 1, 1977, and ending September 30, 1981, such sums as may be necessary to carry out the program provided for in this section. The Secretary is authorized to utilize the facilities, services, and authorities of the Commodity Credit Corporation in discharging the Secretary's functions and responsibilities under the program, including payment of costs of administration: *Provided*, That the Commodity Credit Corporation shall not make any expenditures for such purposes unless the Corporation has received funds to cover such expenditures from appropriations made to carry out this section.

## Commodity Credit Corporation, utilization.

## TITLE XVI—FEDERAL GRAIN INSPECTION

## RECORDS

## Record maintenance.

SEC. 1601. Section 12(d) of the United States Grain Standards Act (90 Stat. 2882; 7 U.S.C. 87a(d)) is amended by striking out "shall, within the five-year period thereafter, maintain complete and accurate records of purchases, sales, transportation, storage, weighing, han-



dling, treating, cleaning, drying, blending, and other processing, and official inspection and official weighing of grain,” and inserting in lieu thereof the following: “shall maintain such complete and accurate records for such period of time as the Administrator may, by regulation, prescribe for the purpose of the administration and enforcement of this Act.”.

## SUPERVISION FEES

SEC. 1602. (a) Section 7(j) of the United States Grain Standards Act (90 Stat. 2873; 7 U.S.C. 79(j)) is amended to read as follows:

“(j) The Administrator shall, under such regulations as the Administrator may prescribe, charge and collect reasonable fees to cover the estimated cost of official inspection except when the official inspection is performed by a designated official agency or by a State under a delegation of authority. The fees authorized by this subsection shall, as nearly as practicable and after taking into consideration any proceeds from the sale of samples, cover the costs of the Service incident to its performance of official inspection services in the United States and on United States grain in Canadian ports, excluding administrative and supervisory costs. Such fees, and the proceeds from the sale of samples obtained for purposes of official inspection which become the property of the United States, shall be deposited into a fund which shall be available without fiscal year limitation for the expenses of the Service incident to providing services under this Act.”.

Inspection costs.

(b) Section 7A(1) of the United States Grain Standards Act (90 Stat. 2877; 7 U.S.C. 79a(1)) is amended to read as follows:

“(1) The Administrator shall, under such regulations as the Administrator may prescribe, charge and collect reasonable fees to cover the estimated costs of official weighing and supervision of weighing except when the official weighing or supervision of weighing is performed by a designated official agency or by a State under a delegation of authority. The fees authorized by this subsection shall, as nearly as practicable, cover the costs of the Service incident to its performance of official weighing and supervision of weighing services in the United States and on United States grain in Canadian ports, excluding administrative and supervisory costs. Such fees shall be deposited into a fund which shall be available without fiscal year limitation for the expenses of the Service incident to providing services under this Act.”.

Weighing costs.

(c) Section 21 of the United States Grain Standards Act of 1976 (90 Stat. 2886) is amended by striking out “those Federal administrative and supervisory costs incurred within the Service’s Washington office or not directly related to the official inspection or the provision of weighing services for grain” and inserting in lieu thereof the following: “Federal administrative and supervisory costs related to the official inspection or the provision of weighing services for grain”.

7 USC 87h.

(d) Section 27 of the United States Grain Standards Act of 1976 (90 Stat. 2889) is amended by striking out “, who pays fees when due, in the same manner as prescribed in section 7 or 7A of the United States Grain Standards Act, as amended by this Act,”.

Post, pp. 1030,  
1031.  
7 USC 74 note.

## ESTABLISHMENT OF TEMPORARY ADVISORY COMMITTEE

SEC. 1603. (a) In order to assure the normal movement of grain in an orderly and timely manner, the Secretary of Agriculture shall establish a temporary advisory committee to provide advice to the Administrator of the Federal Grain Inspection Service with respect to the

7 USC 75a note.

- 7 USC 71 note.  
Membership. implementation of the United States Grain Standards Act of 1976. The advisory committee shall consist of not more than twelve members, appointed by the Secretary, representing the interests of grain producers, consumers, and all segments of the grain industry, including grain inspection and weighing agencies. Members of the advisory committee shall be appointed not later than thirty days after the date of enactment of this Act.
- (b) The advisory committee shall be governed by the provisions of the Federal Advisory Committee Act.
- Clerical  
assistance. (c) The Administrator of the Federal Grain Inspection Service shall provide the advisory committee with necessary clerical assistance and staff personnel.
- Travel expenses. (d) Members of the advisory committee shall serve without compensation, if not otherwise officers or employees of the United States, except that members shall, while away from their homes or regular places of business in the performance of services under this title, be allowed travel expenses, including per diem in lieu of subsistence, as authorized under section 5703 of title 5 of the United States Code.
- Termination. (e) The advisory committee shall terminate eighteen months after the date of enactment of this Act.
- Appropriation  
authorization. (f) There are hereby authorized to be appropriated such sums as are necessary to carry out the provisions of this section.

#### TECHNICAL AMENDMENTS

SEC. 1604. The United States Grain Standards Act (39 Stat. 482-485, as amended; 7 U.S.C. 71, 74-79, 79a and 79b, 84-87, and 87a-87h) is amended as follows:

- 7 USC 75. (a) Section 3 is amended by—
- (1) striking out “grain sorghum” in subsection (g) and inserting in lieu thereof “sorghum”;
- “Official  
agency.” (2) amending subsection (m) to read as follows:  
“(m) the term ‘official agency’ means any State or local governmental agency, or any person, designated by the Administrator pursuant to subsection (f) of section 7 of this Act for the conduct of official inspection (other than appeal inspection), or subsection (c) of section 7A of this Act for the conduct of official weighing or supervision of weighing (other than appeal weighing);”;
- 7 USC 79. (3) inserting “for” immediately after “under standards provided” in subsection (x); and
- 7 USC 79a. (4) amending subsection (y) to read as follows:  
“(y) the term ‘supervision of weighing’ means such supervision by official inspection personnel of the grain-weighing process as is determined by the Administrator to be adequate to reasonably assure the integrity and accuracy of the weighing and of certificates which set forth the weight of the grain and such physical inspection by such personnel of the premises at which the grain weighing is performed as will reasonably assure that all the grain intended to be weighed has been weighed and discharged into the elevator or conveyance;”.
- “Supervision of  
weighing.”
- Delegation of  
authority. (b) Section 3A is amended by adding at the end thereof the following: “The Secretary may delegate authority to the Administrator to perform related functions for grain and similar commodities and products thereof under other statutes administered by the Department of Agriculture. Notwithstanding any other provision of law, the Secretary is authorized to appoint four individuals to positions at grade 16 of the General Schedule, in the Service.”.
- 7 USC 75a.
- 5 USC 5332 note.

- (c) Section 4 (a) is amended by—
- 7 USC 76.
- (1) striking out “grain sorghum” and inserting in lieu thereof “sorghum”;
- (2) inserting a comma after “equipment calibration and maintenance”; and
- (3) inserting “or procedures” after “(2) standards” and after “revoke such standards” and striking out “procedures” after “weight certification”.
- (d) Section 7 is amended by—
- 7 USC 79.
- (1) designating the third sentence in paragraph (2) of subsection (e) as paragraph (4) of subsection (e) and inserting it at the end of subsection (e);
- (2) amending subsection (f) by—
- (A) in the first sentence of paragraph (2), inserting “or State delegated authority pursuant to subsection (e) (2) of this section” immediately after “Not more than one official agency”, inserting “inspection” immediately before “provisions of this Act”, and striking out “, but this paragraph shall not be applicable to prevent any inspection agency from operating in any area in which it was operative on August 15, 1968”;
- (B) striking out “No” in the second sentence of paragraph (2) and inserting in lieu thereof “Except as authorized by the Administrator, no”;
- (C) designating the second sentence of paragraph (2) as paragraph (3) of subsection (f); and
- (D) designating the third sentence of paragraph (2) as paragraph (4) of subsection (f);
- (3) striking out “subsections (e) and (f)” in paragraph (1) of subsection (g) and inserting in lieu thereof “subsection (f)”; and
- (4) adding at the end of subsection (i) a new sentence as follows: “All or specified functions of such inspections shall be performed by official inspection personnel employed by the Service or, except for appeals, by persons operating under a contract with the Service.”
- (e) Section 7A is amended by—
- 7 USC 79a
- (1) in subsection (b), inserting “official weighing or” immediately after “The Administrator is authorized to cause” and inserting “at export elevators” immediately after “located other than”;
- (2) amending paragraph (2) of subsection (c) by—
- (A) in the first sentence, inserting “or supervision of weighing” immediately after “to delegate authority to perform official weighing”, inserting “official weighing or” immediately before “supervision of weighing, if such agency or person qualifies”, and striking out “number” and inserting in lieu thereof “under”;
- (B) in clause (A) of the second sentence, striking out “at export elevators”, and inserting “or supervision of weighing” immediately after “official weighing”; and
- (C) inserting “official weighing or” immediately before “supervision of weighing” wherever this phrase appears in clause (B) of the second sentence;
- (3) adding at the end of subsection (d) a new sentence as follows: “All or specified functions of such weighing shall be performed by official inspection personnel employed by the Service or, except for appeals, by persons operating under a contract with the Service.”;

- (4) striking out the second sentence of subsection (e) ;
- (5) amending subsection (f) by—
- (A) in clause (2), striking out “employ” and inserting in lieu thereof “permit”, and inserting “and who are approved by the Administrator” immediately before “to operate the scales”; and
- (B) in clause (3), striking out “employees of the facility” and inserting in lieu thereof “persons other than official inspection personnel”, and striking out “employees to operate” and inserting in lieu thereof “such persons to operate”;
- (6) inserting “or supervision of weighing” immediately after “official weighing” in subsection (g) ;
- (7) inserting “or local governmental agency” immediately after “No State” in subsection (i) ; and
- (8) adding at the end of subsection (i) a new sentence as follows: “Not more than one official agency or State delegated authority pursuant to subsection (c) (2) of this section for carrying out the weighing provisions of this Act shall be operative at one time for any geographic area as determined by the Administrator to effectuate the objectives stated in section 2 of this Act.”.
- 7 USC 74.  
7 USC 79b. (f) Section 7B is amended by—
- Regulations. (1) inserting “for the purpose of official inspection, official weighing, or supervision of weighing” immediately before “of grain located at all grain elevators” in subsection (a) ;
- (2) at the end of subsection (a), inserting “Such regulations shall provide for the charging and collection of reasonable fees to cover the estimated costs to the Service incident to the performance of such testing by employees of the Service. Such fees shall be deposited into the fund created by section 7 (j) of this Act.”; and
- 7 USC 79. (3) inserting “for the purposes of this Act” immediately after “no person shall use” in subsection (c).
- 7 USC 84. (g) Section 8 is amended by—
- (1) amending subsection (a) by—
- (A) inserting “, other than appeal weighing,” immediately after “supervision of weighing” in clause (1) ;
- (B) striking out “of grain” in clause (2) (B) and inserting in lieu thereof “(including appeal weighing) of grain in the United States, or of United States grain in Canadian ports”; and
- (C) in clause (3), inserting “or governmental agency” immediately after “(3) to contract with any person”, and striking out “specified sampling and laboratory testing” and inserting in lieu thereof “specified sampling, laboratory testing, and similar technical functions”; and
- Compensation. (2) adding at the end of subsection (e) a new sentence as follows: “The Administrator may compensate such personnel at any rate within the appropriate grade of the General Schedule as the Administrator deems necessary without regard to section 5333 of title 5 of the United States Code.”.
- 7 USC 87. (h) Section 11 is amended by—
- (1) inserting “official weighing or” immediately before “supervision of weighing” in paragraph (3) of subsection (b) ;
- (2) in the first sentence of paragraph (5) of subsection (b), inserting “official weighing or” immediately before “supervision of weighing except”, and inserting “director,” immediately before “officer, employee,”; and

- (3) inserting “or State agency delegated authority under this Act” immediately after “official agency” in subsection (c).
- (i) Section 12 is amended by—
- (1) inserting “, every State agency delegated authority under this Act,” immediately after “official agency” wherever this phrase appears in subsections (a), (b), and (c); and
- (2) striking out “delegate authority of this Act” in subsection (c) and inserting in lieu thereof “delegated authority under this Act”.
- (j) Section 13(a) is amended by—
- (1) inserting “, or that any weighing service under this Act has been performed with respect to grain” immediately before the semicolon at the end of paragraph (6);
- (2) striking out in paragraph (11) “5, 6, 7(f)(2), 7A, 7B(c), 8, 11, or 12” and inserting in lieu thereof “5; 6; 7(f)(2), (3), or (4); 7A; 7B(c); 8; 11; 12; or 17A”;
- (3) striking out “testing” in paragraph (12) and inserting in lieu thereof “weighing”; and
- (4) in paragraph (13), striking out “the grain” and inserting in lieu thereof “grain”, and inserting “the” immediately after “observing the loading of”.
- (k) Section 16 is amended by—
- (1) striking out, in subsection (a), the second sentence and all that follows “or other person:” in the first sentence down through “by the Administrator.” and inserting in lieu thereof the following: “and prescribe such rules, regulations, and instructions, as the Administrator deems necessary to effectuate the purposes or provisions of this Act. Such regulations may require, as a condition for official inspection or official weighing or supervision of weighing, among other things, (1) that there be installed specified sampling, handling, weighing, and monitoring equipment in grain elevators, warehouses, and other grain storage or handling facilities, (2) that approval of the Administrator be obtained as to the condition of vessels and other carriers or receptacles for the transporting or storing of grain, and (3) that persons having a financial interest in the grain which is to be inspected (or their agents) shall be afforded an opportunity to observe the weighing, loading, and official inspection thereof, under conditions prescribed by the Administrator.”; and
- (2) striking out “additional” in subsection (f).
- (l) Section 17A is amended by striking out “All persons registered” in paragraph (1) of subsection (b) and inserting in lieu thereof “All persons required to register”.
- (m) Section 17B is amended in clause (2) of subsection (b) by inserting “notwithstanding the provisions of section 812 of the Agricultural Act of 1970, as added by the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c-3),” immediately after “(2)” and inserting “notice of” immediately after “Administrator or the Secretary of”.
- (n) Section 21 is amended by striking out “SEC. 21” and inserting in lieu thereof “SEC. 19”.

7 USC 87a.

7 USC 87b.

Rules and regulations.  
7 USC 87e.

7 USC 87f-1.

7 USC 87f-2.

7 USC 87h.

## STUDIES OF GRAIN INSPECTION AND WEIGHING; EFFECTIVE DATE

SEC. 1605. (a) Section 8(b) of the United States Grain Standards Act of 1976 (90 Stat. 2874) is amended by—

7 USC 79 note.

(1) inserting in paragraph (3) “(which may include the application of statistical tolerances for expected variations)” immediately after “error rates of such agencies”;

(2) striking out in paragraph (4) “eighteen months” and inserting in lieu thereof “thirty months”; and

(3) striking out in paragraph (5) “two years” and inserting in lieu thereof “three years”.

(b) Section 27 of the United States Grain Standards Act of 1976 (90 Stat. 2889) is amended by—

(1) striking out all that follows “SEC. 27.” down through “without a designation under the United States Grain Standards Act, as amended by this Act” and inserting in lieu thereof the following: “This Act shall become effective thirty days after enactment hereof; and thereafter no State or other agency or person shall provide official inspection or official weighing or supervision of weighing under the United States Grain Standards Act, as amended by this Act, at an export port location without a delegation of authority or other authorization under such amended Act, and no agency or person shall provide official inspection service or official weighing or supervision of weighing under such amended Act in any other area without a designation or other authorization under such amended Act”;

(2) inserting “or other authorization under such Act” immediately after “may continue to operate in that area without a delegation or designation”; and

(3) striking out “and export elevators located at export port locations” in clause (3).

#### MISCELLANEOUS AMENDMENTS

SEC. 1606. The United States Grain Standards Act is further amended as follows:

7 USC 75. (a) Section 3(i) is amended by striking out “or, upon request of the interested party applying for inspection, the quantity of sacks of grain,”.

7 USC 77. (b) Section 5(a) is amended by inserting “or procedures” immediately after “standards” each place it appears therein.

7 USC 78. (c) Section 6(a) is amended by striking out “factor information” and inserting in lieu thereof “criteria”.

7 USC 79. (d) Section 7(b) is amended by striking out “or quantity of sacks of grain,”.

7 USC 79a. (e) Section 7A is amended by inserting in subsections (a), (b), and (e) “or procedures” immediately after “standards”.

7 USC 84. (f) Section 8(f) is amended by inserting “and weighing” immediately after “integrity of the official inspection”.

7 USC 87. (g) Section 11(b)(4) is amended by inserting “or supervision of weighing” immediately after “official weighing”.

7 USC 87b. (h) Section 13(a)(6) is amended by striking out “condition, or quantity” and inserting in lieu thereof “or condition”.

7 USC 87e, 87f-2. (i) Sections 16(b) and 17B are amended by striking out “Committee on Agriculture and Forestry” each place these words appear therein and inserting in lieu thereof “Committee on Agriculture, Nutrition, and Forestry”.

(j) Section 17B(a) is amended by inserting “and weighing” immediately after “inspection”.

## CONFORMING AMENDMENTS

SEC. 1607. The United States Grain Standards Act of 1976 (90 Stat. 2874 and 2890) is amended as follows:

7 USC 84.

(a) Section 8(b)(4) is amended by striking out "Committee on Agriculture and Forestry" and inserting in lieu thereof "Committee on Agriculture, Nutrition, and Forestry".

(b) Section 27 is amended by inserting "or" immediately after the semicolon at the end of clause (2).

*Ante*, pp. 1025,  
1030.

7 USC 74 note.

## RETENTION OF DESIGNATIONS FOLLOWING CONVICTIONS

SEC. 1608. Section 27 of the United States Grain Standards Act of 1976 (90 Stat. 2890) is amended by inserting immediately before the semicolon at the end of clause (2) the following: "*Provided*, That the Administrator may allow such affected agency or person to continue to operate in that area if the Administrator determines that such continued operations are necessary or desirable in carrying out the requirements of this Act: *Provided further*, That the Administrator shall, within 30 days after making such determination, submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate detailing the factual bases for such determination".

Report to  
congressional  
committees.

TITLE XVII—WHEAT AND WHEAT FOODS RESEARCH  
AND NUTRITION EDUCATION ACT

Wheat and Wheat  
Foods Research  
and Nutrition  
Education Act.

## SHORT TITLE

SEC. 1701. This title may be cited as the "Wheat and Wheat Foods Research and Nutrition Education Act".

7 USC 3401 note.

## FINDINGS AND DECLARATION OF POLICY

SEC. 1702. (a) Wheat is basic to the American diet and the American economy. It is grown by thousands of farmers and consumed, in various forms, by millions of people in the United States.

7 USC 3401.

(b) The size of the American wheat crop and how it is marketed and ultimately consumed determines whether many Americans receive adequate nourishment. Wheat has a strong impact on the Nation's well-being. Additional research on the optimal use of wheat products can improve the American diet. Consumer education about the nutritional value and economic use of wheat products can enhance the national welfare.

(c) It has long been recognized that it is in the national interest to have a regular, adequate, and high quality wheat supply. It would be extremely difficult, without an effective coordinated research and nutrition education effort, to accomplish this objective. A programed effort of research and nutrition education is of great importance to wheat producers, processors, end product manufacturers, and consumers.

(d) It is the purpose of this title and in the public interest to authorize and enable the creation of an orderly procedure, adequately financed through an assessment, for the development and initiation of an effective and continuous coordinated program of research and nutrition education, designed to improve and enhance the quality, and make the most efficient use, of American wheat, processed wheat, and wheat end products to ensure an adequate diet for the people of the

United States. The maximum rate of assessment authorized hereunder represents an infinitesimal proportion of the overall cost of manufacturing wheat end products. Therefore, such assessment will not significantly affect the retail prices of those products. Furthermore, any price effect will be more than offset by the increased efficiency in end product manufacture and increased consumer acceptance, due to nutritional improvements in wheat products, which may be expected to follow from adoption of a plan under this title. Nothing in this title shall be construed to provide for control of production or otherwise limit the right of individual wheat producers to produce wheat.

## DEFINITIONS

7 USC 3402.

SEC. 1703. For the purposes of this title:

(a) The term "wheat" means all classes of wheat grains grown in the United States.

(b) The term "processed wheat" means the wheat-derived content of any substance (such as cake mix or flour) produced for use as an ingredient of an end product by changing wheat grown within the United States in form or character by any mechanical, chemical, or other means.

(c) The term "end product" means any product which contains processed wheat as an ingredient and which is intended, as produced, for consumption as human food, notwithstanding any additional incidental preparation which may be necessary by the ultimate consumer.

(d) The term "wheat producer" means any person who grows wheat within the United States for market.

(e) The term "processor" means any person who commercially produces processed wheat within the United States.

(f) The term "end product manufacturer" means any person who commercially produces an end product within the United States, but such term shall not include such persons to the extent that they produce end products on the premises where such end products are to be consumed by an ultimate consumer, including, but not limited to, hotels, restaurants, and institutions, nor shall such term include persons who produce end products for their own personal, family, or household use.

(g) The term "research" means any type of research to advance the nutritional quality, marketability, production, or other qualities of wheat, processed wheat, or end products.

(h) The term "nutrition education" means any action to disseminate to the public information resulting from research concerning the economic value or nutritional benefits of wheat, processed wheat, and end products.

(i) The term "Council" means the Wheat Industry Council established pursuant to section 1706 of this title.

(j) The term "Department" means the United States Department of Agriculture.

(k) The term "Secretary" means the Secretary of Agriculture of the United States.

(l) The term "person" means any individual, partnership, corporation, association, or other entity.

(m) The term "United States" means the several States and the District of Columbia, including any territory or possession.



## ISSUANCE OF ORDERS

SEC. 1704. (a) Whenever the Secretary has reason to believe that the issuance of an order will tend to effectuate the declared policy of this title, the Secretary shall give due notice and opportunity for hearing upon a proposed order. Such hearing may be requested and proposal for an order submitted by an organization certified pursuant to section 1714 of this title, or by any interested person affected by the provisions of this title, including the Secretary.

Notice and  
hearing.  
7 USC 3403.

(b) After notice and opportunity for hearing as provided in section 1704(a) of this title, the Secretary shall issue an order if the Secretary finds, and sets forth in such order, upon the evidence introduced at such hearing that the issuance of such order and all the terms and conditions thereof will tend to effectuate the declared policy of this title.

## PERMISSIVE TERMS IN ORDERS

SEC. 1705. Any order issued pursuant to this title shall contain one or more of the following terms and conditions, and, except as provided in section 1706 of this title, no others:

(a) providing for the establishment, issuance, effectuation, and administration of appropriate plans or projects for nutrition education, both within the United States and in international markets with respect to wheat, processed wheat, and end products, and for the disbursement of necessary funds for such purposes: *Provided*, That in carrying out any such plan or project, no reference to a private brand or trade name shall be made if the Secretary determines that such reference will result in undue discrimination against wheat, processed wheat, and end products of other persons: *Provided further*, That no such plans or projects shall make use of unfair or deceptive acts or practices in behalf of wheat, processed wheat, and end products or unfair or deceptive acts or practices with respect to quality, value, or use of any competing product;

Nutrition  
education plans.  
7 USC 3404.

(b) providing for the establishment and conduct of research or studies with respect to sale, distribution, marketing, utilization, or production of wheat, processed wheat, and end products and the creation of new products thereof to the end that the marketing and utilization of wheat, processed wheat, and end products may be encouraged, expanded, improved, or made more acceptable, and for the disbursement of necessary funds for such purposes;

Research and  
studies.

(c) providing that processors, distributors of processed wheat, and end product manufacturers shall maintain and make available for inspection by the Secretary or the Council such books and records as may be required by any order issued pursuant to this title and for the filing of reports by such persons at the time, in the manner, and having the content prescribed by the order, to the end that information shall be made available to the Council and to the Secretary which are appropriate or necessary to the effectuation, administration, or enforcement of this title, or of any order or regulation issued pursuant to this title: *Provided*, That all information so obtained shall be kept confidential by all officers and employees of the Department, the Council, and by all officers and employees of contracting agencies having access to such information, and only such information so furnished or acquired as the Secretary deems relevant shall be disclosed by them, and then only in a suit or administrative hearing brought at the direction, or upon the request, of the Secretary, or to which the Secretary or any officer of the United States is a party, and involving the order

Records and  
reports.

Confidential  
information.

with reference to which the information so to be disclosed was furnished or acquired. Nothing in this section shall be deemed to prohibit (1) the issuance of general statements based upon the reports of the number of persons subject to an order or statistical data collected therefrom, which statements do not identify the information furnished by any person, (2) the publication, by direction of the Secretary, of general statements relating to refunds made by the Council during any specific period, or (3) the publication by direction of the Secretary of the name of any person who has been adjudged to have violated any order, together with a statement of the particular provisions of the order violated by such person. Any such officer or employee of the Department, the Council, or a contracting agency violating the provisions of this clause shall, upon conviction, be subject to a fine of not more than \$1,000 or to imprisonment for not more than one year, or both, and if an officer or employee of the Council or Department shall be removed from office;

Penalty.

Assessment exemption.

(d) providing for exemption of specified end products, or types or categories thereof, from the assessments required to be paid under section 1706 of this title under such conditions and procedures as may be prescribed in the order or rules and regulations issued thereunder; and

(e) terms and conditions incidental to and not inconsistent with the terms and conditions specified in this title and necessary to effectuate the other provisions of such order.

REQUIRED TERMS IN ORDERS

7 USC 3405.

SEC. 1706. Any order issued pursuant to this title shall contain such terms and conditions as to provide—

Wheat Industry Council, establishment and powers.

(a) for the establishment and appointment by the Secretary of a Wheat Industry Council which shall consist of not more than twenty members and alternates therefor, and for the definition of its powers and duties which shall include only the powers enumerated in this section, and shall specifically include the powers to (1) administer such order in accordance with its terms and provisions, (2) make rules and regulations to effectuate the terms and provisions of such order, (3) receive, investigate, and report to the Secretary complaints of violations of such order, and (4) recommend to the Secretary amendments to such order. The term of an appointment to the Council shall be for two years with no member serving more than three consecutive terms, except that initial appointments shall be proportionately for two-year and three-year terms;

Term.

Membership.

(b) that the Council and alternates therefor shall be composed of wheat producers or representatives of wheat producers, processors or representatives of processors, end product manufacturers or representatives of end product manufacturers, and consumers or representatives of consumers appointed by the Secretary from nominations submitted by eligible organizations or associations certified pursuant to section 1714 of this title, or, if the Secretary determines that a substantial number of wheat producers, processors, end product manufacturers, or consumers are not members of, or their interests are not represented by any such eligible organizations or associations then from nominations made by such wheat producers, processors, end product manufacturers, and consumers in the manner authorized by the Secretary, so that the representation of wheat producers, processors, end product manufacturers,

and consumers on the Council shall be equal: *Provided*, That in making such appointments, the Secretary shall take into account, to the extent practicable, the geographical distribution of wheat producers, processors, end product manufacturers, and consumers throughout the United States;

(c) that the Council shall, subject to the provisions of clause (g) of this section, develop and submit to the Secretary for approval any research plans or projects and nutrition education plans or projects resulting from research, and that any such plan or project must be approved by the Secretary before becoming effective;

Research and  
nutrition  
education plans.

(d) that the Council shall, subject to the provisions of clause (g) of this section, submit to the Secretary for approval budgets on a fiscal period basis of its anticipated expenses and disbursements in the administration of the order, including probable costs of research and nutrition education projects;

Budgets,  
submittal to  
Secretary of  
Agriculture.

(e) that, except as provided in sections 1705(d) and 1707 of this title, each end product manufacturer shall pay to the Council, pursuant to regulations issued under the order, an assessment based on the number of hundredweights of processed wheat purchased, including intra-company transfers of processed wheat, for use in the manufacture of end products, from processors, distributors, or (in the case of intra-company transfers) related companies or divisions of the same company. Such assessment shall be used for such expenses and expenditures defined above, including provisions for a reasonable reserve, and any referendum and administrative costs incurred by the Secretary and the Council under this title, as the Secretary finds are reasonable and likely to be incurred under the order during any period specified by the Secretary. The circumstances under which such a purchase or intra-company transfer will be deemed to have occurred will be prescribed by the Secretary in the order. Such assessment shall be calculated and set aside on the books and records of the end product manufacturer at the time of each purchase or intra-company transfer of processed wheat, and shall be remitted to the Council in the manner prescribed by the order. In order to enable end product manufacturers to calculate the amount of processed wheat they have purchased, persons selling or transferring processed wheat in combination with other ingredients to such end product manufacturers for use in the manufacture of end products, shall disclose to such end product manufacturers, as prescribed by the Secretary in the order, the amount or proportion of processed wheat contained in such products. The rate of assessment shall not exceed five cents per hundredweight of processed wheat purchased or transferred. The Secretary may maintain a suit against any person subject to such assessment for the collection of such assessment, and the several district courts of the United States are hereby vested with jurisdiction to entertain such suits regardless of the amount in controversy;

End product  
manufacturers,  
processed wheat  
assessment.

Assessment, rate  
limitation.  
Jurisdiction.

(f) that the Council shall maintain such books and records, which shall be available to the Secretary for inspection and audit, and prepare and submit such reports from time to time, to the Secretary as the Secretary may prescribe, and for appropriate accounting by the Council, with respect to the receipt and disbursement of all funds entrusted to it;

Record  
maintenance.

(g) that the Council, with the approval of the Secretary, may enter into contracts or agreements for the development and con-

Contracts.

duct of the activities authorized under the order pursuant to terms and conditions specified in clauses (a) and (b) of section 1705 of this title and for the payment of the cost thereof with funds collected through the assessments pursuant to the order. Any such contract or agreement shall provide that the contractors shall develop and submit to the Council a plan or project together with a budget or budgets which shall show estimated costs to be incurred for such plan or project, and that any such plan or project shall become effective upon the approval of the Secretary, and further, shall provide that the contracting party shall keep accurate records of all of its transactions and make periodic reports to the Council of activities conducted and an accounting for funds received and expended, and such other reports as the Secretary may require;

Investment of  
assessment  
funds.

(h) that the Council, with the approval of the Secretary, may invest, pending disbursement pursuant to a plan or project, funds collected through assessments authorized under this title in, and only in, obligations of the United States or any agency thereof, in general obligations of any State or any political subdivision thereof, in any interest-bearing account or certificate of deposit of a bank which is a member of the Federal Reserve System, or in obligations fully guaranteed as to principal and interest by the United States;

Lobbying  
restriction.

(i) that no funds collected by the Council under the order shall in any manner be used for the purpose of influencing governmental policy or action, except as provided by clause (a) (4) of this section; and

Expenses,  
reimbursement.

(j) that the Council members, and alternates therefor, shall serve without compensation, but shall be reimbursed for their reasonable expenses incurred in performing their duties as members of the Council.

#### EXEMPTION

7 USC 3406.  
"Retail baker."

SEC. 1707. Any end product manufacturer who is a retail baker shall be exempt from the provisions of this title. For the purposes of this section, the term "retail baker" shall be deemed to include all end product manufacturers who sell end products directly to the ultimate consumer: *Provided*, That such term shall not include any end product manufacturer who derives less than 10 per centum of gross end product sales revenues from sales to ultimate consumers or who derives 10 per centum or more of gross food or food products sales revenues from the sale of such products manufactured or produced by others.

#### REQUIREMENT OF REFERENDUM

7 USC 3407.

SEC. 1708. The Secretary shall conduct a referendum as soon as practicable among end product manufacturers not exempt hereunder who, during a representative period preceding the date of the referendum, as determined by the Secretary, have been engaged in the manufacture of end products, for the purpose of ascertaining whether the issuance of an order is approved or favored by such manufacturers. Qualified end product manufacturers may register with the Secretary by mail to vote in such referendum during a period ending not less than thirty days prior to the date of the referendum. Within ten days thereafter, the Secretary shall determine which end product manufacturers are eligible to vote in such referendum and cause to be published the list of such eligible voters. The Secretary shall issue ballots to all such persons who have so registered and been declared eligible to vote. No

List of eligible  
voters,  
publication.

order issued pursuant to this title shall be effective unless the Secretary determines (1) that votes were cast by at least 50 per centum of such registered end product manufacturers, and (2) that the issuance of such order is approved or favored by not less than two-thirds of the end product manufacturers voting in such referendum or by a majority of the end product manufacturers voting in such referendum if such majority manufactured end products containing not less than two-thirds of the total processed wheat contained in all end products manufactured by those voting in the referendum, during the representative period defined by the Secretary: *Provided*, That at the time of the registration provided under this section each end product manufacturer so registering shall certify to the Secretary the amount of processed wheat contained in the end products manufactured by such end product manufacturer during such representative period. The Secretary shall be reimbursed from assessments collected by the Council for any expenses incurred for the conduct of the referendum. Eligible voter lists and ballots cast in the referendum shall be retained by the Secretary for a period of not less than twelve months after they are cast for audit and recount in the event the results of the referendum are challenged and either the Secretary or the courts determine a recount and retabulation of results is appropriate.

Processed wheat certification.

Voters lists and ballots, retention.

#### REFUND

SEC. 1709. (a) Subsequent to the approval by the Secretary of the annual budget of the Council or amendments thereto, a summary of such budget or amendments thereto, including a brief general description of the proposed research and nutrition education programs contemplated therein, shall be published in the Federal Register. All end product manufacturers not exempt hereunder shall have sixty days from the date of such publication within which to elect, under such conditions as the Secretary may prescribe, by so indicating to the Council in writing, by registered or certified mail, to reserve the right to seek refunds under subsection (b) of this section. Only those end product manufacturers who make such an election, under the described procedure, shall be eligible for refunds of assessments paid during the one-year period immediately following the expiration of such sixty-day period.

Publication in Federal Register.  
7 USC 3408.

(b) Notwithstanding any other provision of this title, any end product manufacturer who has been subject to and has paid an assessment, but who has reserved the right, under subsection (a) of this section, to seek a refund, and who is not in favor of supporting the programs as provided for herein, shall have the right to demand and receive from the Council a refund of such assessment: *Provided*, That such demand shall be made by such end product manufacturer in accordance with regulations, and on a form and within a time period, prescribed by the Council and approved by the Secretary and upon submission of proof satisfactory to the Council that the end product manufacturer paid the assessment for which refund is sought, and any such refund shall be made within sixty days after demand is received therefor.

Refund demands.

#### PETITION AND REVIEW

SEC. 1710. (a) Any person subject to any order may file a written petition with the Secretary, stating that any such order or any provision of such order or any obligation imposed in connection therewith is not in accordance with law and praying for a modification thereof or for an exemption therefrom. The petitioner shall thereupon be

7 USC 3409.

Hearing.

given an opportunity for a hearing upon such petition, in accordance with regulations issued by the Secretary. After such hearing, the Secretary shall make a ruling upon the prayer of such petition which shall be final, if in accordance with law.

Review  
jurisdiction.

(b) The district courts of the United States in any district in which such person is an inhabitant, or has his principal place of business, are hereby vested with jurisdiction to review such ruling, provided a complaint for that purpose is filed within twenty days from the date of the entry of such ruling. Service of process in such proceedings may be had upon the Secretary by delivering a copy of the complaint to the Secretary. If the court determines that such ruling is not in accordance with law, it shall remand such proceedings to the Secretary with directions either (1) to make such ruling as the court shall determine to be in accordance with law, or (2) to take such further proceedings as, in its opinion, the law requires.

#### ENFORCEMENT

Jurisdiction.  
7 USC 3410.

SEC. 1711. (a) The several district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating any order or regulation made or issued pursuant to this title. Any civil action authorized to be brought under this title shall be referred to the Attorney General for appropriate action: *Provided*, That nothing in this title shall be construed as requiring the Secretary to refer to the Attorney General minor violations of this title whenever the Secretary believes that the administration and enforcement of the program would be adequately served by suitable written notice or warning to any person committing such violation.

Penalty.

(b) Any end product manufacturer or other person who willfully violates any provision of any order issued by the Secretary under this title, or who willfully fails or refuses to remit any assessment or fee duly required thereunder, shall be liable to a penalty of not more than \$1,000 for each such offense which shall accrue to the United States and may be recovered in a civil suit brought by the United States.

(c) The remedies provided in subsections (a) and (b) of this section shall be in addition to, and not exclusive of, the remedies otherwise provided at law or in equity.

#### SUSPENSION AND TERMINATION OF ORDERS

7 USC 3411.

SEC. 1712. (a) The Secretary shall, whenever he finds that any order issued under this title, or any provision thereof, obstructs or does not tend to effectuate the declared policy of this title, terminate or suspend the operation of such order or such provision thereof.

Referendum.

(b) The Secretary may conduct a referendum at any time, and shall hold a referendum on request of 10 per centum or more of the number of end product manufacturers subject to the order, to determine whether such manufacturers favor the termination or suspension of the order, and the Secretary shall suspend or terminate such order within six months after the Secretary determines that suspension or termination of the order is approved or favored by a majority of the end product manufacturers voting in such referendum who, during a representative period determined by the Secretary, have been engaged in the manufacture of end products or by end product manufacturers who produced end products con-

taining more than 50 per centum of the total processed wheat contained in all end products manufactured during such period by the end product manufacturers voting in the referendum.

(c) The termination or suspension of any order, or any provision thereof, shall not be considered an order within the meaning of this title.

INVESTIGATIONS: POWER TO SUBPENA AND TAKE OATHS AND  
AFFIRMATIONS: AID OF COURTS

SEC. 1713. The Secretary may make such investigations as the Secretary deems necessary for the effective administration of this title or to determine whether any person subject to the provisions of this title has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provisions of this title, or of any order, or rule or regulation issued under this title. For the purpose of such investigation, the Secretary is empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence and require the production of any books, papers, and documents which are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States. In case of contumacy by, or refusal to obey a subpoena to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, and documents; and such court may issue an order requiring such person to appear before the Secretary, there to produce records, if so ordered, or to give testimony touching the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever such person may be found.

7 USC 3412.

CERTIFICATION OF ORGANIZATIONS

SEC. 1714. The eligibility of any organization to represent wheat producers, processors, end product manufacturers, or consumers to request the issuance of an order under section 1704(a) of this title and to participate in the making of nominations under section 1706 (b) of this title, shall be certified by the Secretary. The Secretary shall certify any organization which the Secretary finds to be eligible under this section and the Secretary's determination as to eligibility shall be final. Certification shall be based, in addition to other available information, upon a factual report submitted by the organization which shall contain information deemed relevant and specified by the Secretary for the making of such determination, including, but not limited to, the following:

7 USC 3413.

(a) geographic territory covered by the organization's active membership,

(b) nature and size of the organization's active membership, including, in the case of an organization other than a consumer organization, the proportion of the total number of active wheat producers, processors, or end product manufacturers represented by the organization,

Report.

(c) evidence of stability and permanency of the organization,  
 (d) sources from which the organization's operating funds are derived,

(e) functions of the organization, and

Non-consumer organization, primary eligibility consideration.

(f) the organization's ability and willingness to further the aims and objectives of this title: *Provided*, That the primary consideration in determining the eligibility of an organization, other than a consumer organization, shall be whether its membership consists primarily of wheat producers, processors, or end product manufacturers who produce a substantial volume of wheat, processed wheat, or end products, respectively, and whether the organization is based on a primary or overriding interest in the production, processing, or end manufacture of wheat or wheat products, and the nutritional attributes thereof: *Provided further*, That the primary consideration in determining the eligibility of a consumer organization shall be whether (1) a principal purpose of the organization is to promote consumer interests, consumer research, or consumer education, (2) such organization has a broadly representative constituency of consumers, with active membership participation on a regular basis, and (3) the organization has demonstrated to the Secretary's satisfaction its commitment to the achievement of the objectives of this title.

Consumer organization, primary eligibility consideration.

#### EFFECT ON OTHER PROGRAMS

7 USC 3414. SEC. 1715. Nothing in this title shall be construed to preempt or interfere with the workings of any other program relating to wheat or wheat foods research or nutrition education organized and operating under the laws of the United States or any State.

#### REGULATIONS

7 USC 3415. SEC. 1716. The Secretary is authorized to issue such regulations as may be necessary to carry out the provisions of this title.

#### PROVISIONS APPLICABLE TO AMENDMENTS

7 USC 3416. SEC. 1717. The provisions of this title applicable to orders shall be applicable to amendments to orders.

#### SEPARABILITY

7 USC 3401 note. SEC. 1718. If any provision of this title or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the title and of the application of such provision to other persons and circumstances shall not be affected thereby.

#### AUTHORIZATION

7 USC 3417. SEC. 1719. There are hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated such funds as are necessary to carry out the provisions of this title. The funds so appropriated shall not be available for payment of the expenses or expenditures of the Council in administering any provisions of any order issued pursuant to the terms of this title.



TITLE XVIII—DEPARTMENT OF AGRICULTURE  
ADVISORY COMMITTEES

PURPOSES

- SEC. 1801. The purposes of this title are to— 7 USC 2281.
- (1) require strict financial and program accounting by advisory committees of the Department of Agriculture;
  - (2) assure balance and objectivity in the membership of such advisory committees; and
  - (3) prevent the formation or continuation of unnecessary advisory committees by the Department of Agriculture.

DEFINITIONS

- SEC. 1802. When used in this title— 7 USC 2282.
- (1) the term “Secretary” means the Secretary of Agriculture of the United States;
  - (2) the term “Department of Agriculture” means the United States Department of Agriculture; and
  - (3) the term “advisory committee” means any committee, board, commission, council, conference, panel, task force, or other similar group, or any subcommittee or other subgroup thereof which is established or utilized by the Department of Agriculture in the interest of obtaining advice or recommendations for the President or the Department of Agriculture, except that such term excludes any committee which (A) is composed wholly of full-time officers or employees of the Federal Government, (B) is established by statute or reorganization plan, or (C) is established by the President.

ESTABLISHMENT OF ADVISORY COMMITTEES

- SEC. 1803. No advisory committee shall be established by the Department of Agriculture unless the Secretary determines that— 7 USC 2283.
- (1) the advisory committee will serve an essential function;
  - (2) the proposed membership for the advisory committee represents a balance of differing views;
  - (3) the proposed work and goals of the advisory committee cannot be carried out by an existing advisory committee;
  - (4) the proposed budget of the advisory committee reflects the reasonably anticipated costs of performing the function of the advisory committee; and
  - (5) the establishment of the advisory committee is in the public interest.

ADDITIONAL DUTIES OF THE SECRETARY

- SEC. 1804. In addition to any responsibilities which the Secretary has under the Federal Advisory Committee Act, as amended, or other provision of law with respect to advisory committees, the Secretary shall ensure that all advisory committees— 7 USC 2284.  
5 USC app. 1.
- (1) comply with all provisions of law relating to advisory committees, including this title;
  - (2) submit all reports and recommendations in written form;
  - (3) retain a written record of any responses made by the Department of Agriculture to the recommendations of the advisory committees; and

(4) do not exceed their proposed budgets by 10 per centum or \$500, whichever is greater, without receiving prior approval for such additional expenditures from the Secretary as provided under section 1808 of this title.

#### MEMBERSHIP ON ADVISORY COMMITTEES

7 USC 2285.

SEC. 1805. (a) No person other than an officer or employee of the Department of Agriculture shall serve on an advisory committee for more than six consecutive years.

(b) No person shall simultaneously serve on more than one advisory committee unless authorized by the Secretary.

(c) All advisory committees shall, to the extent practicable, have—

(1) a balanced membership reflecting the differing views of the groups substantially affected by the matters to be considered by such advisory committees; and

(2) ethnic, racial, and sexual balance.

(d) Each member of an advisory committee shall use his or her full name and principal place of residence, and shall provide the Secretary with (1) the names of persons or companies by whom he or she is employed, (2) his or her principal occupation, and (3) his or her major sources of income. Such information shall be forwarded to the appropriate committees of Congress having legislative jurisdiction or oversight responsibility with respect to the agency within the Department of Agriculture which established the advisory committee, as part of the annual report provided for in section 1807 of this title.

(e) Not more than one officer or employee of any corporation or other entity, including all subsidiaries and affiliates thereof, shall serve on the same advisory committee at any one time, unless excepted by the Secretary.

#### ADVISORY COMMITTEE CHARTER REQUIREMENTS—OPERATING COSTS

7 USC 2286.

5 USC app. 1.

SEC. 1806. In addition to complying with other requirements of section 9(c)(G) of the Federal Advisory Committee Act, each advisory committee shall provide the following information to the Secretary when it files its charter—

(1) a statement that the estimate of annual operating costs developed pursuant to section 9(c)(G) of the Federal Advisory Committee Act is inclusive of all private and public moneys to be spent by or on behalf of the advisory committee; and

(2) specific estimates of—

(A) the amount of Federal funds that will be used annually to support directly or indirectly the operation of the advisory committee;

(B) the dollar value of the time and the expenses that will be incurred annually by Federal agencies and employees in assisting in the operation of the advisory committee;

(C) the travel expenses, including per diem or subsistence in lieu thereof, that will be incurred annually by advisory committee members and Department of Agriculture employees in attending meetings of the advisory committee, including travel performed in support of the advisory committee's operation; and

(D) all expenses that will be paid annually by sources outside the Government, including, but not limited to, expenses

borne by the committee members or other individuals, such as their employers, corporations, organizations, associations, or labor organizations.

## ANNUAL REPORT

SEC. 1807. (a) In addition to the other requirements of section 10 of the Federal Advisory Committee Act, as amended, each advisory committee within the Department of Agriculture, including all advisory committees as defined in section 1802(3) of this title and all other advisory committees within the Department of Agriculture established by statute or reorganization plan or established by the President, shall prepare, at least annually, a written report which shall contain—

7 USC 2287.  
5 USC app. 1.

(1) a description of all recommendations and suggestions it has provided to any executive department, agency, or other authority of the United States, or any State, or any individual during the immediately preceding year;

(2) a description of the response it has made during the immediately preceding year to specific recommendations and suggestions from any executive department, agency, or other authority of the United States, or any State, or any individual;

(3) an itemization, in detail, of all costs incurred by it during the immediately preceding year, including, but not limited to—

Itemized costs.

(A) public money spent on transportation for advisory committee members and other Department of Agriculture employees engaged in the business of the advisory committee, including individuals who are not members of the advisory committee;

(B) per diem allowances for temporary duty expenses for advisory committee members and for Department of Agriculture employees engaged in the work of the advisory committee who are not members of the advisory committee;

(C) salaries and consultant fees paid to the advisory committee members, guest presenters, or other advisors or assistants to the advisory committee at meetings of the advisory committee;

(D) the value of Department of Agriculture staff support time spent on the business of the advisory committee;

(E) the cost of leasing, renting, or purchasing equipment, meeting rooms, and supplies for the advisory committee;

(F) any additional cost involved in meetings of the advisory committee, including receptions, luncheons, dinners, and entertainment;

(G) miscellaneous expenses, with a separate category for any major expense item peculiar to the advisory committee; and

(H) such other expenses or cost items as may be relevant to full disclosure of the costs of operating the advisory committee; and

(4) a list of the members of the advisory committee and, where applicable, the background information on each member required to be submitted under section 1805 of this title.

(b) The report required by this section shall be transmitted to the Secretary, the appropriate committees of Congress having legislative jurisdiction or oversight with respect to the agency within the Depart-

Transmittal to Secretary and congressional committees.

ment of Agriculture which established the advisory committee, and the Library of Congress. A copy of such report shall also be available at the central location of each such advisory committee's files.

#### BUDGET PROHIBITIONS

7 USC 2288.

SEC. 1808. (a) No advisory committee shall expend funds in excess of its estimated annual operating costs by more than 10 per centum or \$500, whichever is greater, unless it files a request therefor with the Secretary prior to any such expenditure which shall specify the use to which such funds will be put together with a comprehensive explanation as to why such expenditures were not known at the time of the annual estimate of operating costs, and the Secretary approves such request.

(b) The Secretary shall not approve the release of any funds under the Secretary's control to an advisory committee for any such overrun expenditure unless the Secretary finds that such funds are essential to the performance of the advisory committee's mission and the need for such funds could not have been reasonably anticipated.

#### TERMINATION OF ADVISORY COMMITTEES

7 USC 2289.

SEC. 1809. (a) The Secretary shall terminate any advisory committee upon a finding that any such advisory committee—

(1) has expended funds in excess of its estimated annual operating costs by more than 10 per centum or \$500, whichever is greater, without having obtained the prior approval of the Secretary pursuant to the provisions of section 1808 of this title;

(2) has failed to file in a timely manner all reports required under the provisions of the Federal Advisory Committee Act, as amended, or this title;

5 USC app. 1.

(3) has failed to meet for two consecutive years;

(4) has failed to issue any written reports other than reports required under the Federal Advisory Committee Act, as amended, and this title for two consecutive years;

(5) has failed to comply with any provision of the Federal Advisory Committee Act, as amended, or this title;

(6) is responsible for functions which otherwise would be or should be performed by Federal employees; or

(7) does not serve or has ceased to serve an essential public function.

5 USC app. 1.

(b) Any advisory committee terminated under the provisions of this section may be reestablished only under the procedures set out in section 9 of the Federal Advisory Committee Act. If an advisory committee terminated under the provisions of this section is reestablished, all records, reports, and the complete files of such advisory committee so terminated shall be maintained together with the files of such reestablished advisory committee.

**TITLE XIX—EFFECTIVE DATE**

**Sec. 1901.** Except as otherwise provided herein, the provisions of this Act shall become effective October 1, 1977. <sup>7 USC 1307 note.</sup>

Approved September 29, 1977.

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**LEGISLATIVE HISTORY:**

**HOUSE REPORTS:** No. 95-348 accompanying H.R. 7171 (Comm. on Agriculture) and No. 95-599 (Comm. of Conference).

**SENATE REPORTS:** No. 95-180 (Comm. on Agriculture, Nutrition, and Forestry) and No. 95-418 (Comm. of Conference).

**CONGRESSIONAL RECORD, Vol. 123 (1977):**

May 23, 24, considered and passed Senate.

July 20-22, 25-28, considered and passed House, amended, in lieu of H.R. 7171.

Sept. 9, Senate agreed to conference report.

Sept. 16, House agreed to conference report.

**WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 13, No. 40:**

Sept. 29, Presidential statement.