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THE FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990: AN OVERVIEW

Part III — Miscellaneous Provisions
(Titles XV, XVI, XVIII, XIX, XX, XXI, XXII, XXIII, XXIV, XXV)

by
A.L. (Roy) Frederick**

The Food, Agriculture, Conservation, and Trade Act (FACTA) of 1990 was enacted into law on November 28, 1990. Generally referred to as the 1990 farm bill, the Act is noteworthy with respect to its comprehensiveness and complexity. For example, it has 25 titles, or major sections, compared to 18 titles in the previous farm bill, the Food Security Act of 1985.

This is the last of three Campaign Circulars intended to outline major provisions of the FACTA. This Campaign Circular touches on a wide array of topics, including agricultural trade, research, credit, agricultural promotion, grain quality, organic certification, crop insurance and disaster assistance, rural development, global climate change and other related provisions.

Commodity and conservation titles were addressed in Parts I and II, respectively, of this series. However, several titles, including Title V, (Cotton); Title VI, (Rice); Title VIII, (Peanuts); Title XII, (State and Private Forestry); Title XIII, (Fruits, Vegetables, and Marketing); and Title XVII, (Food Stamps and Related Provisions) have not been covered in any of these publications because it has been assumed that these titles would be of relatively little interest to Nebraska farmers.

The intent of this publication is to outline the basic legislation, not the operating rules and regulations that will be announced separately for 1991 and subsequent years by the Secretary of Agriculture. Readers are encouraged to share their views on implementation with appropriate administrative agencies, e.g., the Foreign Agricultural Service or the Farmers Home Administration. Alternatively, perspectives on both the basic legislation and rules and regulations may be shared with congressional representatives.

Much of the information in this report is taken directly from the "CRS Report for Congress: Report of the 1990 Farm Bill," prepared by the Congressional Research Service in the Library of Congress. Readers are cautioned, however, that the Act itself and the operating rules and regulations will determine the precise applicability to individual citizens.

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TITIE XV — AGRICULTURAL TRADE

Subtitle A — Reauthorization and Amendments to Public Law 480

15.1 Policy Objective: The policy of the United States is to use its abundant agricultural productivity to promote the foreign policy of the United States by enhancing the food security of the developing world. Specific objectives are to:

1. combat world hunger and malnutrition and their causes;
2. promote broad-based, equitable, and sustainable development, including agricultural development;
3. expand international trade;
4. develop and expand export markets for United States agricultural commodities; and
5. foster and encourage the development of private enterprise and democratic participation in developing countries.

15.2 Global Food Aid Needs: The National Research Council of the National Academy of Sciences finds that doubling food aid above the 1990 level of about 10,000,000 metric tons would be necessary to meet projected global food needs of the 1990s. Therefore, it is the sense of Congress that the President should both increase U.S. food aid and encourage other donor countries to do likewise.

15.3 P.L. 480 Title I Reauthorization: Sales of U.S. agricultural commodities using long-term concessional credit are reauthorized. Repayment of loans in either dollars or local currencies must be completed within 10 to 30 years after delivery of the last shipment, although the Secretary may defer initial payment for up to seven years after delivery of the last food shipment. When repayment is in local currencies, these funds can be used to support market development, agricultural development, research activities and for paying for U.S. government obligations.

USDA is given primary administrative responsibility for Title I, now named Trade and Development Assistance.

15.4 P.L. 480 Title II Reauthorization: Emergency and private assistance (donation) programs are reauthorized. As before, food donations are divided between emergency and non-emergency assistance. In fiscal 1991, the minimum total food assistance shall be not less than 1,925,000 metric tons, of which 1,450,000 shall be available for non-emergency use. Minimum tonnages are to increase by 25,000 metric tons annually through 1995.

Authorization for maximum funding of $1 billion is provided under Title II. However, the President can waive this if urgent humanitarian needs require greater funding. A new provision in title II requires that between $10 million and $13.5 million be provided to private voluntary organizations and cooperatives to support their overseas food aid activities.

Primary administrative responsibility for this title rests with the Agency for International Development (AID).

15.5 P.L. 480 Title III Authorization: A new food for development program is authorized to provide government-to-government grant food assistance to least developed countries.

Donated food to developing countries may be used
for direct feeding programs, for developing emergency food reserves, or may be sold in the recipient country for local currency. The local currency then is to be used for specific economic development activities as agreed to by the AID Administrator and the recipient country.

15.6 P.L. 480 Title IV Reauthorization: The authority of the Secretary of Agriculture to determine the types and quantities of U.S. agricultural commodities to be included in U.S. foreign food assistance programs is continued. Determinations of commodity availability are to be on an annual rather than a case-by-case basis. The President is given discretionary authority to waive the principal and interest payments due under past P.L. 480 sales to least developed countries that are undertaking economic reform.

15.7 P.L. 480 Title V Reauthorization: The Farmer-to-Farmer program is reauthorized with a minimum of 0.2 percent of total P.L. 480 funds each year, 1991 to 1995, to be used for assisting farmers and agribusiness operations in developing countries. Farming technologies and methods are to be transferred from U.S. farmers, agriculturists, land-grant universities, private agribusinesses and non-profit farm organizations to farm and agriculturally-related organizations in recipient countries. Middle-income countries and emerging democracies are eligible, although at least half of the funds under Title V are to be used for farmer-to-farmer activities in developing countries.

15.8 P.L. 480 Title VI Authorization: An Enterprise for Americas Initiative, which is intended to reduce debt for qualifying Latin American and Caribbean countries, is authorized. This title also extends the Food for Progress program through December 31, 1995.

Subtitle B — Shipping Provisions

15.9 Cargo Preference: Since 1954, a portion of the gross tonnage of P.L. 480 cargo from Gulf and coastal ports has been required to be shipped on U.S. vessels. The remainder may be shipped via less expensive foreign vessels. However, an equal opportunity to use foreign vessels has not existed for those at Great Lakes ports. This title attempts to equalize opportunities for Great Lakes operators by guaranteeing access to 50 percent of P.L. cargoes on a lowest landed-cost basis.

Subtitle C — Export Promotion

15.10 Program Extension: In general, export promotion programs are extended through 1995. In addition to program amendments outlined in the following sections, the 1990 budget reconciliation requires the Secretary to increase expenditures on export promotion programs by $1 billion if a GATT agreement is not enacted by June 30, 1992.

15.11 Export Enhancement Program:EEP bonuses are to be determined using clear procedures and consistent formulas. Bonuses may be paid either in cash or commodity certificates. The act authorizes funding through 1995 at a minimum of $500 million annually. (As this is written, it appears that fiscal 1991 funding may be authorized at a level considerably above the minimum.)

The Commodity Credit Corporation is directed to give priority, in providing for livestock sale bonuses, to proposals that include, along with the purchase of the livestock, herd management training, nutritional training, and veterinary services.

The Secretary shall seek, as an objective of this program or other similar export promotion programs, to spend 25 percent of the funds for the promotion of high-value or value-added agricultural commodities.

15.16 Marketing Promotion Program: Formerly called the Targeted Export Assistance Program, this program has been expanded to assist trade organizations exporting any U.S. agricultural commodity. While preference is given to those commodities facing unfair trade practices in foreign countries, the program now is open to any commodity group wishing to develop, maintain, or expand commercial exports.

The program makes either funds or surplus commodities available to participating organizations on a cost-share basis. Assistance for branded items is available but limited to no more than 50 percent of the total cost of the marketing plan.

Funding for the MPP is continued at a minimum of $200 million per year through 1995, although annual adjustments are possible.

15.17 Export Credit Programs: GSM-102, the short-term agricultural export credit guarantee program (six to 30-month repayment terms) and GSM-103, the intermediate-term credit guarantee program (three to 10-year repayment terms) are both extended through 1995. Minimum annual guarantee levels are $5 billion for GSM-102 and $500 million for GSM-103. Direct export credits are also authorized, although minimum funding levels are not established.

Export credit guarantees are to be offered only to countries that can adequately service the debt connected with an export sale. Cargo preference requirements will not apply to these programs.

15.18 Emerging Democracies: The Commodity Credit Corporation will provide at least an additional $1 billion in credit guarantees above the levels indicated in Section 15.17 in fiscal years 1991-95 to facilitate (1) the sale of U.S. farm commodities to emerging democracies, or (2) to establish or improve marketing, storage, or distribution facilities for imported farm products in those countries.

The U.S. also will offer a program to assess and make recommendations to improve the effectiveness of the food and rural business systems of emerging democracies. Assessments will be made in three or more countries
each year, with the CCC providing up to $5 million annually for this purpose.

Finally, a fellowship program to provide agriculturally-related training in the U.S. for persons from emerging democracies or middle-income countries will be established.

15.19 Trade Studies: A study on long-term agricultural trade strategy is to be submitted to Congress by October 1, 1991. Updates are required by October 1 of every third fiscal year thereafter.

A study on world livestock market prices is to be completed within eight months of enactment (July 28, 1991).

**TITLE XVI — RESEARCH**

16.1 Research Priorities: In general, federally-funded research projects are to focus on environmental quality, agricultural sustainability, rural development, food safety, and public health. The Secretary is to establish appropriate guidelines to ensure that these priorities are considered in USDA approvals of research projects and funding.

16.2 Program Extensions and Funding Authorities: Three mainline federal research and education programs are continued.

Funding authorization for the Agricultural Research Service is set at $850 million annually for each fiscal year through 1995. However, the appropriation for fiscal year 1991 is only $622 million.

The Cooperative State Research Service, which supports the agricultural experiment stations in the individual states, is authorized to provide $310 million annually in “formula funds.” Again, however, the fiscal 1991 appropriation is considerably less at $162 million.

The Extension Service is authorized to spend $420 million in fiscal 1991, with annual increases of $10 million provided for through fiscal 1995.

16.3 National Competitive Research Initiative: In addition to formula-funded research, the Cooperative State Research Service is responsible for administering a competitive research grants program. Competitive-grant funding may grow significantly in the next few years with authorizations beginning at $150 million in 1991 and rising gradually to $500 million in 1995. A greater number of research areas will be eligible for competitive grants than in the past.

16.4 Sustainable Agriculture: The low-input sustainable agriculture (LISA) research and education program, first authorized in the Food Security Act of 1985, has been significantly expanded. Funding authorization will be $40 million annually. (The fiscal year 1991 appropriation is $6.7 million, up from $4.5 million in fiscal year 1990.) The 1990 Act also makes separate authorizations for other LISA activities, including training extension agents, preparing technical guides, and establishing a federal-state matching grant program for state sustainable agricultural research and extension programs.

16.5 Genetic Research: A new National Genetics Resources Program to provide for the collection, preservation, and dissemination of genetic materials is established. Prior programs will be expanded beyond plants and animals to include aquatic, insect, microbiological, and other types of genetic material.

16.6 Weather Information: A National Agricultural Weather Information System and USDA Agricultural Weather Office are established for the purpose of improving USDA’s current efforts to meet the weather and climate information needs of agricultural producers.

16.7 Food Safety and Quality: A new research program is established in food safety, with the specific objective of identifying the microbial and chemical agents associated with agricultural products, measuring their potential risk, and identifying ways to avoid or control them.

16.8 Integrated Pest Management: Research, data collection and extension activities related to pest management through pesticides, and biological and cultural controls will be continued. Particular attention will be given the accumulation of a data base on pest control materials and methods.

Of significance to Nebraska sorghum producers, the Secretary is directed to establish a research and education program to study the biology and behavior of chinch bugs.

16.9 Alternative Agricultural Research and Commercialization: A new, independent organization is created within USDA that will be called the Alternative Agricultural Research and Commercialization Center. Its purpose is to provide research and commercialization assistance for the development of new nonfood, nonfeed products derived from agricultural commodities. The Center will support, with low-interest loans, loan guarantees, interest subsidies, and matching grants, projects that have the greatest immediate commercial potential, and that promise the greatest benefits for family farms, the rural economy, resource conservation, and the environment. A revolving fund will support the Center’s activities, beginning with an initial authorization of $10 million and rising to $75 million annually for the 1994-2000 period.

16.10 Miscellaneous: Title XVI calls for work in other agricultural research areas beyond those specifically identified above. As before, authorization does not imply that funds have been appropriated. (In most cases, they have not.) In addition, certain portions of the legislative language indicate that the Secretary “may,” “shall,” establish research initiatives. Thus, the following listing of areas for further research probably should be viewed somewhat tentatively:
FmHA must hold farm property in inventory for FmHA-rather than the capitalized value (which is based on the property would be sold at the appraised fair market value public is shortened from three years to one. Inventory property is held in inventory, family farmers will receive amount of farm income that can be generated from the land and may differ from the market value).

restructured borrowers, meaning that the borrower must the right of first refusal.

sale preference and beginning farmers will be extended addition, the FmHA may deny the borrower the right to lease back or buy back the collateral property if the borrower acts in bad faith. Finally, the borrower must share any appreciation with FmHA if the collateral property is sold within 10 years of restructuring.

Consideration of Unsecured Assets: FmHA may consider the equity in non-essential assets, such as certificates of deposit and other real estate, when determining the repayment capacity of a delinquent borrower. Non-essential assets may be included in determining what portion of a loan can be written down and, furthermore, the FmHA can deny restructuring to a borrower if non-essential assets can be liquidated to make the borrower current on the delinquent loan.

Cash Flow Margin: The FmHA is required to write down or restructure a loan to the level necessary to leave the borrower with a five percent cash flow margin on debt service. Prior restructuring policy required an exact cash flow on a newly restructured loan.

Maximum Write-Downs: For each borrower, a maximum lifetime write-down of principal and interest on delinquent loans is set at $300,000. In addition, for any loan made after January 6, 1988, only one write-down per loan will be allowed.

Conservation Easements: The continued viability of the farm unit must be assured when perpetual conservation easements are placed on inventory property. Easements placed on prior converted wetlands may not exceed 10% of existing cropland; easements placed on wetlands frequently planted my not exceed 20% of a farm’s cropland.

Direct Lending: The Omnibus Budget Reconciliation Act of 1990 mandates significant cuts in FmHA direct lending for both farm ownership and operating loans. Specifically, direct lending authority will be reduced gradually from just under $1 billion in fiscal year 1990 to $285 million in fiscal 1995.

At least 30% of guaranteed loan funds are required to be used to help graduate direct loan borrowers from FmHA. In the past, almost all guaranteed loans have gone to existing bank borrowers. If this target is not met, funds will be shifted back to direct loan programs.

Interest Rate Reduction: The FmHA interest rate reduction program is enhanced by allowing FmHA to buy down the interest rate on a commercial loan guaranteed by FmHA by up to four percentage points without the lender making any interest rate concessions. Prior to the 1990 Act, the lender could buy down the rate by up to two percentage points and FmHA would match that amount.

Borrower Training: USDA is required to provide training for FmHA borrowers in financial and farm management practices. Training is to be at borrower expense. Management training is to be included in the criteria for loan eligibility, but can be waived by a county committee.

Subtitle B — Farm Credit System

Lending for Processing/Marketing Operations: The Farm Credit System will be allowed to extend credit to farmers who use any portion or their on-farm production in processing or marketing an agricultural product. This type of loan will be limited to 15% of a district bank’s outstanding loans.

Regulation of Farmer Mac: The Farm Credit System is given authority to examine the condition of the Federal Agricultural Mortgage Corporation (Farmer Mac) and its affiliates.

Study of Rural Credit Cost and Availability: The Comptroller General of the United States is required to conduct a study of certain matters relating to the cost and availability of credit in rural America, with particular emphasis on the ability of the Farm Credit System to repay the assistance provided under the Agricultural Credit System of 1987. A report on the study’s findings is to be completed by November 28, 1992.
TITLE XIX — AGRICULTURAL PROMOTION

19.1 General Authorization: New research and promotion check-off programs are authorized for the following commodities if approved in producer referendums: pecans, mushrooms, limes and soybeans. In like manner, a processor-funded milk promotion is authorized. Modifications are made in existing cotton, wool, potato, and honey research and promotion programs.

19.2 Soybeans: Producers shall be assessed one-half of 1% of the net market price when sold to the first purchaser. The assessment will be collected for 18 months to three years before a producer referendum is held for the purpose of determining whether to continue it. (Majority approval would be required of those voting.) Refunds of assessments are permitted upon producer request prior to the referendum. If the initial referendum is approved, the Secretary must then conduct a poll among soybean producers to determine if they support an additional referendum on the continuance of the payment of refunds.

19.3 Fluid Milk: This program will take effect only if at least 50% of fluid milk processors voting (and representing 60 percent of volume produced) approve it in a referendum. The assessment on fluid processors will be 20 cents per 100 pounds of fluid milk marketed. No refunds will be provided. The program does not replace the existing dairy products promotion program funded by producers.

TITLE XX -- GRAIN QUALITY

20.1 Overall Objectives: This title, the Grain Quality Incentives Act of 1990, specifies that grain grades and standards be based upon important end-use characteristics of grain, and that USDA take a number of steps to improve the performance quality of U.S. grains and oilseeds. Grade-determining factors and factor limits shall reflect levels of soundness consistent with satisfactory performance for the major foreign and domestic end-users of the grain.

20.2 Grain Quality Committee: An interagency committee is to be established for the purpose of initiating actions to improve the quality competitiveness of U.S. grain.

20.3 Enhancing Competitiveness: Grain grading No. 3 or better must be as clean as economically and commercially practical to enhance competitiveness (subject to consideration of technical constraints, economic benefits and costs, and actions of competitors).

20.4 Aflatoxin Test: All corn exported from the United States must be tested for aflatoxin contamination.

20.5 Blending: The Federal Grain Inspection Service (FGIS) is authorized to prohibit the contamination of sound and pure grain caused by blending it with nongrain substances, grain unfit for ordinary commercial purposes, or toxic grain.

20.6 Country Elevator Inspections: FGIS is required to establish a list of approved testing equipment and develop inspection procedures for commercial inspections at country elevators to improve the quality and promote greater uniformity of results.

20.7 Farmer-Owned Reserve Grain: Farmer-owned reserve grain quality entry standards and storage management practices are required to be reviewed to assure that only high quality grain comes out of the program.

20.8 Premiums and Discounts on Nonrecourse Loans: CCC nonrecourse loan programs must include premiums and discounts related to the cleanliness of grain.

20.9 CCC-Owned Grain: Grain stored by the CCC shall meet minimum quality standards. Quality assurance is to be achieved by utilizing only FGIS approved procedures to inspect grain that is acquired.

20.10 Grain Varieties: Grain varieties are to be evaluated for end-use performance characteristics, and plantings are to be surveyed to determine varieties commercially produced; the combined performance and survey data are to be analyzed to evaluate trends in quality.

TITLE XXI — ORGANIC CERTIFICATION

21.1 General Requirements: Producers and handlers who wish to label their food products as organic on or after October 1, 1993 must submit an “organic plan” for approval by a certifying agent. The plan must demonstrate that all facets of their operations meet specified standards. The plan must be recertified annually through an on-site inspection.

21.2 Organic Standards Board: A National Organic Standards Board will develop a list of substances acceptable for use in organic farming. Amendments may be made to the list as materials and technologies change.

21.3 Prohibited Crop Production Practices: For a farm to be certified under this title, a producer shall not:

(1) use any fertilizers containing synthetic ingredients or any commercially blended fertilizers containing materials prohibited under this title;
(2) use natural poisons such as arsenic or lead salts that have long-term effects and persist in the environment;
(3) use plastic mulches, unless such mulches are removed at the end of each growing or harvest season; or
(4) use transplants that are treated with any synthetic or prohibited material.

21.4 Acceptable Animal Production Practices: For a farm to be certified under this title, a producer:

(1) shall feed such livestock organically produced feed that meets the requirements of this title;
(2) shall not use plastic pellets for roughage, mature refeeding or feed formulas containing urea; and
(3) shall not use growth promoters and hormones on such livestock, whether implanted, ingested, or injected, including antibiotics and synthetic trace elements used to stimulate growth or production of such livestock.

21.5 Labels: After a certifying agent approves an organic plan, a producer or handler may label the product as organic. Producers or handlers who use the organic label fraudulently are subject to a civil penalty of up to $10,000.

21.6 Certifying Agents: USDA will accredit certifying agents, who may be state officials or private individuals for renewable 5-year periods. Certifying agents who violate the provisions of the law will lose their accreditation and are ineligible for reaccreditation for at least three years.

21.7 Imported Products: Imported products may be sold or labeled as organically produced if USDA determines that they have been produced and handled under an organic certification program that is at least equivalent to the requirements for domestic products.

21.8 State Organic Certification Programs: States that already have organic certification programs may continue them if they meet the requirements of the new law. State organic certification standards may be stricter than federal standards. However, state standards may not discriminate against products imported into the state that have been produced in accordance with national standards. Accredited private certifiers are authorized to certify producers and handlers in states that do not have organic programs.

TITLE XXII — CROP INSURANCE AND DISASTER ASSISTANCE

22.1 Tracking System: Participants in the Federal Crop Insurance Program must provide either a Social Security number or employer identification number as a prerequisite for coverage. Civil penalties of up to $10,000 and disqualification from the program for up to 10 years are provided for in cases where false or inaccurate information is willfully provided.

22.2 Coverages: Private companies are authorized to develop alternative and supplemental coverages to the basic multi-peril crop insurance (MPCI) plan. This could include loss protection from hail and fire within the MPCI deductible, increased price election that fills the gap between the MPCI election and the market price, and cash price coverage if a loss occurs on sale contracts. The objective is to find ways of enhancing program participation.

22.3 Premium Rates: The Federal Crop Insurance Corporation is required to compile and make available, by region and crop, the premium rates that would be necessary to achieve actuarial soundness for the system. However, no rate can be increased by more than 20% annually.

22.4 ASCS Yields and Market Prices: Coverage based on ASCS yields, where these yields exceed FCIC yields, shall be provided at an additional cost. The premium for such additional coverage is to reflect the increased risk involved and will not be subsidized by FCIC. Beginning in 1992, the FCIC shall establish a price level for coverage reflecting then current market prices. Producers can elect price coverage less than or equal to the market price projection with coverage expressed as dollars per acre.

22.5 Contracting for Services: FCIC is given the authority to contract with private rating bureaus and other organizations for actuarial, loss adjustment, and other services to avoid duplication by the federal government.

22.6 Risk Sharing: Beginning with the 1992 reinsurance year (July 1, 1991 through June 30, 1992), private companies that sell crop insurance and are reinsured by the federal government will be required to bear an increased share in program losses. In making such revisions, the government is required to take into consideration the financial conditions of the reinsured companies and the availability of private reinsurance.

Under recent contracts, the most risk that private companies have had to absorb is 15% of premiums. FCIC absorbs the balance and compensates the companies for all administrative and operating expenses.

22.7 Disaster Payments: Disaster payments to growers of 1990 crops hit by drought or other natural disasters are authorized, but are subject to appropriations. (The fiscal year 1991 agriculture appropriations act contains no funding for such payments, but appropriations could be made at a later date.) The title also authorizes up to $20 million in grants to organizations and agencies that provide assistance to low-income migrant and seasonal farm workers, subject to appropriations.

22.8 Disaster Limitations: Total disaster relief is limited to $100,000 per person. In addition, no person with qualifying gross revenues of $2,000,000 or more is eligible for disaster payments.
TITLE XXIII — RURAL DEVELOPMENT

23.1 Rural Development Administration: Reorganization of USDA rural development programs is mandated, creating a new Rural Development Administration (RDA). The new agency will be headed by an Administrator, appointed by the Secretary. A number of programs (and associated funding) for the RDA will be transferred from the FmHA, including:

1. water and waste disposal loans and grants, which are available to small towns for developing or upgrading water and waste disposal systems;
2. community facility loans for libraries, hospitals, clinics, town halls, fire and police stations, and other needs;
3. business and industry loan guarantees;
4. industrial development grants including those used for developing community infrastructure, such as roads;
5. resource conservation and development loans including those used for water impoundment, flood control and recreational uses.

23.2 Rural Partnerships Investment Board: A pilot program is authorized for up to five states for the purpose of establishing a revolving fund to make or guarantee loans or make joint investments with private lenders for new and expanding rural businesses. A five-member governing board, headed by the Administrator of the RDA, is to administer the program. An authorization of $10 million in the first year, fiscal 1992, would need to be funded through appropriations.

23.3 Rural Economic Development Review Panels: Up to five states could participate in a pilot program that would allow states to establish a 16-member Rural Economic Development Review Panel for the purpose of assessing, reviewing and setting priorities for state and local rural development needs. An important additional responsibility would be to rank local applications for certain federal rural development programs.

23.4 Water and Waste Loans: Up to $500 million is authorized for spending on rural water and waste loans and grants for the next five years. Communities whose residents face significant health risks related to the water supply will receive first priority. Enhanced technical assistance on water and waste issues also is to be emphasized.

23.5 REA Distance Learning and Medical Links Program: Grants (fiscal year 1991, $25 million; fiscal years 1992 and 1993, $50 million each year; fiscal years 1994 and 1995, $60 million each year) and expedited loans will be available to secure or create telecommunications systems for rural schools and medical providers. A second program will provide low-interest loans ($15 million annually through fiscal year 1995) for business telecommunications partnerships that will share telecommunications terminal equipment, computers, and software and hardware.

23.6 Local Technical Assistance Grants: An existing technical assistance program is expanded to authorize grants to local agencies ($7.5 million annually) to identify and analyze business opportunities and to assist rural entrepreneurs and managers. Grants could also be used to conduct regional, community and local economic development planning. FmHA and Extension would coordinate.

23.7 REA Rural Business Incubator Fund: REA is to establish a business incubator fund ($10 million annually) to make grants and loans to REA borrowers or nonprofit organizations to promote business incubators in rural areas.

23.8 Extension Service Rural Economic and Business Development: Funding of up to $50 million per year is authorized to enable states and counties to employ rural economic and business development specialists. Extension is to establish a national program to provide training and technical assistance on rural business development.

23.9 Demonstrations/Models of Economic Development: An existing competitive grants program is authorized to be expanded to $50 million per year to promote the establishment of rural technology transfer centers. The centers will develop new products, processes and business opportunities and transfer them to small rural businesses through grants, loans, technical assistance, training, and other types of support.

23.10 Emergency and Crisis Assistance: Communities under 20,000 population faced with emergency conditions needing immediate attention would be eligible for short-term loans of up to $50,000 under a new program authorized by Title XXIII. The legislation authorizes $2.5 million to be appropriated in fiscal year 1991 and $5 million annually thereafter.

The existing program of crisis management assistance for financially stressed farmers is extended, with modifications, through 1995.

23.11 Health Care Facility Loans: The Secretary is directed to establish community facility loan program interest rates solely on the basis of area income when the loan is for health facilities. Delinquent community facility loans made to hospitals must be given the opportunity to restructure the loan if the administration is better off restructuring the debt than foreclosing. (This is the same standard applied to FmHA farm borrowers.)

23.12 Health and Safety Education: A new grant program is authorized for the Extension Service to establish health and safety education programs. Grants also are made available for demonstration projects to develop a model approach to planning and providing an adequate rural health infrastructure.
TITLE XXIV — GLOBAL CLIMATE CHANGE

24.1 General Provisions: This title includes a number of provisions to deal with both (1) impacts of possible climate change on agriculture, and (2) production of “greenhouse gases” by agriculture and forests.

24.2 Global Climate Change Program: A program that addresses global climate change is to be established within USDA. The program is to be headed by a director, appointed by the Secretary. The director’s responsibilities are to include coordinating policy analysis, long range planning, research and response strategies relating to climate change; providing liaison with other federal agencies; recommending alternative courses of action; and ensuring that potential climate change is integrated into the policy processes of USDA.

24.3 Specific Research Mandate: The effects of temperature increases and other weather-related changes on crops will be studied. Another area of study will cover emissions of methane, nitrous oxide, and hydrocarbons from forests and their effects on global climate change, including how climate change itself would affect such emissions.

24.4 Office of International Forestry: The deputy chief of the Forest Service is to head this office and serve as a liaison to the director of the Global Climate Change Program.

TITLE XXV — OTHER RELATED PROVISIONS

25.1 Assistance for Socially Disadvantaged Farmers: An outreach and technical assistance program to encourage minority and other socially disadvantaged persons to own and operate farms and to participate in agricultural programs is established. Authorized spending is $10 million annually. Community-based organizations and post-secondary educational institutions will be eligible for the funds.

25.2 Pet Protection: The law amends the Animal Welfare Act by placing new restrictions on dealers, pounds and animal shelters aimed at preventing the theft of dogs and cats for sale to research facilities.

25.3 Priority for Studies and Reports: The Secretary must rank by priority the studies and reports required by the Act and determine which of them will be completed (at least 12 must be completed).

25.4 Pseudorabies Eradication: The Secretary must carry out a program for the eradication of pseudorabies in swine. No less than 65% of the funds appropriated for the program shall be used for testing and screening of animals and for other purposes directly related to the eradication or control of pseudorabies. Funds are authorized to be appropriated for each of the fiscal years 1991 through 1995 as may be necessary for carrying out the program.

25.5 APHIS Inspection Fees: New authority is provided for the collection of user fees to pay for import and export inspection and quarantine services by USDA’s Animal and Plant Health Inspection Service (APHIS).

25.6 Commodity Program Budget Forecasts: The Secretary is directed to designate a single agency to make forecasts and establish a quality control program for the purpose of making forecasts of commodity program benefits more accurate.

25.7 Return on Assets: The Secretary is to publish an annual report detailing the return on assets from the production of all major crops. The impact of price and income support programs on returns to assets is to be considered.

25.8 Farm Value of Food Products: The Secretary is to develop a system for informing the ultimate consumer of the approximate amount paid the producer of the primary commodity for each retail dollar spent on food. An annual report of information provided to consumers is to be made to the congressional agriculture committees.

25.9 Recordkeeping: Within three years of enactment, USDA is to attempt to find ways to substantially reduce the volume of documentation and the number of trips required to USDA offices to complete paperwork required of the typical producer participating in programs administered by the Secretary of Agriculture.

25.6 Fertilizer and Agricultural Chemical Transportation: The Secretary is to conduct a study regarding the transportation of fertilizer, agricultural pesticides, and other materials such as fuel to the farm. At issue is compliance with federal and state safety standards. Results of the study are to be published within 18 months of enactment of this Act.