

Commerce and the Interior the revision and implementation of the National Aquaculture Development Plan. The plan will include programs of research, assistance, and training. USDA will have primary responsibility for coordinating and disseminating aquaculture information. The 1985 Act designates the Secretary as the permanent chairman of the coordinating group and establishes a National Aquaculture Information Center within USDA. The center must collect and analyze scientific, technical, legal, and economic information relating to aquaculture, including acreage, water use, production, marketing, culture techniques, and other relevant matters. The center will also serve as a repository for the collected information and will arrange with foreign nations for the exchange of information relating to aquaculture.

The Secretary must study the aquaculture industry's access to relevant Federal programs and report the findings to Congress by December 31, 1986. The Secretary of Commerce must also study, and report to Congress by December 31, 1987, the effect on traditional fisheries by competition from commercial aquacultural enterprises. The study must assess adverse effects, by species and geographical region, and recommend measures to offset the effects. The Secretary of the Interior, in consultation with the Secretary of Commerce, must identify, and report the findings to Congress by December 31, 1987, exotic species introduced into the United States as a result of aquaculture activities and determine potential benefits and effects of the introduced species. All three Secretaries must report on the status of U.S. aquaculture and the implementation of the Development Plan to Congress by February 1, 1988.

Funding for administering the Aquaculture Act is authorized at \$1 million annually for fiscal years 1986-88.

Special Study and Pilot Project on Futures Trading

USDA and the Commodity Futures Trading Commission must study the manner in which agricultural commodity futures markets and agricultural commodity options markets might be used by producers to provide them with price stability and income protection. The study must also determine the Federal budgetary effect of this approach compared with the cost of the commodity price support programs. The results are due to Congress by December 31, 1988.

The Secretary must also conduct a pilot program in at least 40 counties which actively produce wheat, feed grains, soybeans, and cotton. This program, in cooperation with futures and options market representatives and the chairman of the Commodity Futures Trading Commission, will involve an extensive educational program for a reasonable number of producers, as determined by the Secretary. Producers selected for the program will participate in the trading of these agricultural commodities on a futures or options market in a manner designed to protect and maximize the return on their own production. Under the terms of the project, participating producers will receive assurances from the Secretary that the net return received for their commodities will be no less than the county loan level for the crop.

Animal Welfare

The Secretary must set standards governing the humane care, treatment, and transportation of animals by dealers, research facilities, and exhibitors. These standards will describe minimum requirements for handling, housing, feeding, watering, sanitation, ventilation, shelter from extremes of weather and temperatures, adequate veterinary care, and separation by species; exercise of dogs; and an adequate physical environment for primates. The standards for animals in

research facilities must also include requirements for animal care, treatment, and practices in experimental procedures to ensure that pain and stress to the animals are minimized. Each research facility is required to show upon inspection, and to report at least annually, that these rules are being followed.

Each research facility must establish at least one committee of not fewer than three members appointed by the chief executive officer of the facility. These members must possess sufficient ability to assess animal care and practices in an experimental research facility and represent society's concerns regarding animal welfare. One member must be a veterinarian and another must represent general community interests. The committee must inspect, at least semiannually, all animal study areas and facilities of the research facility. Inspections, however, are prohibited from interrupting any research experiment. The committee must also file a certification report of each inspection. Members of the committee may not release confidential information from the research facility. Each research facility must provide training for scientists, animal technicians, and other personnel involved with animal care and treatment in the facility. The National Agricultural Library must establish an information service on employee training and animal experimentation to reduce animal pain and stress.

Civil penalties authorized under the Animal Welfare Act are increased from \$500-\$1,500 to \$1,500-\$2,500. The criminal penalty is increased from \$1,000 to \$2,500. Provisions in this subtitle take effect December 23, 1986.

CCC Storage Contracts

The 1985 Act amends the CCC Charter Act by stipulating that any contracts for the use of storage facilities of terms greater than 1 year must have an annual rental rate that is less than the rate charged for 1-year contracts. If CCC does not use contracted space and determines that it no longer needs the space, the owner of the facility can be given a reasonable time to lease the space to another person, which would relieve CCC of the remaining terms of the contract.

Emergency Feed Program

Producers may now receive feed through the Emergency Feed Program if they do not have sufficient feed of adequate nutritive value suitable for their type of livestock or poultry. Under previous provisions, producers could qualify for the program only if they had insufficient feed for the estimated period of the emergency. The CCC may make feed available to persons in areas in which feed grains are normally produced but are unavailable because of natural disaster. The feed may be available through feed dealers at a price not less than 75 percent of the county loan rate. CCC bears the cost, including transportation and handling, in making the feed available.

Controlled Substances Production Control

Beginning December 23, 1985, any person convicted under Federal or State law of planting, cultivating, growing, producing, harvesting, or storing a controlled substance will be ineligible for any price supports or payments; farm storage facility loans; crop insurance; disaster payments; any loans made, insured, or guaranteed by FmHA; and payments for the storage of CCC-owned commodities during that and the 4 succeeding crop years.

Unleaded Fuel in Agricultural Machinery

The Secretary and the Administrator of the Environmental Protection Agency (EPA) must jointly conduct a study on the use of fuel containing lead additives and alternative lubricating additives in gasoline engines used in agricultural machinery. The study will analyze potential mechanical problems that may be associated with the use of such fuel in engines. The study must be published in the Federal Register by January 1, 1987, and a report sent to the President and Congress (including public comments) by June 1, 1987.

Between January 1, 1986, and December 31, 1987, the EPA must determine the average lead content of leaded gasoline sold in the United States for each 3-month period. If the actual lead content falls below an average of 0.2 grams of lead per gallon in any 3-month period, the EPA must report to Congress and publish the notice in the Federal Register. Until January 1, 1988, EPA may not issue, under the Clean Air Act, regulations to control or prohibit lead additives in gasoline that would reduce the average lead content to less than 0.1 gram per gallon. To carry out these provisions, \$1 million is authorized without fiscal year limitation.

Potato Advisory Commission

The Secretary should consider establishing a Potato Advisory Commission. This commission would address industry concerns including trade, quality inspections, and pesticide use. The recommendations of the commission would be reported to Congress and the public.

Viruses, Serums, Toxins, and Analogous Products

The 1985 Act amends the Virus-Serum-Toxin Act to make it unlawful for any person, firm, or corporation to ship or deliver in intrastate (as well as interstate) commerce any worthless, contaminated, dangerous, or harmful virus, serum, toxin, or analogous product intended for use in the treatment of domestic animals. The Secretary may issue a special license for preparing virus, serums, toxins, and analogous products under expedited procedures with assurances of purity and safety to meet emergency conditions in a limited market, local situation, or other special circumstances. Any virus, serum, or toxin sold for export or intrastate commerce during the 12 months prior to December 23, 1985, would not be considered in violation of the Virus-Serum-Toxin Act (as a result of not being licensed or not being produced in a licensed establishment) until January 1, 1990. The exemption, however, must be claimed by the firm making the product by January 1, 1987.

Federal Insecticide, Fungicide, and Rodenticide Act Funding

Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) funding for fiscal year 1986 is set at \$68,604,200. A maximum of \$11,993,100 is available for research.

Users Fees for Reports, Publications, and Software

The Secretary may charge reasonable fees for furnishing on request copies of software programs, pamphlets, reports, or other publications, including electronic publications, prepared by USDA.

Confidentiality of Information

USDA must maintain the confidentiality of information it collects for statistical purposes by publishing such data in aggregate form. The information is exempt from

mandatory disclosure and may not be used in judicial or administrative proceedings without the consent of the person involved.

Land Conveyance to Irwin County, Georgia

The Secretary must deliver to the Board of Education of Irwin County, Georgia, a quitclaim deed conveying to the board all rights of the United States to 0.3 acre in Irwin County, Georgia.

National Tree Seed Laboratory

Fees received by the National Tree Seed Laboratory (part of the U.S. Forest Service) for tree seed testing services are considered a reimbursement to current funding to cover the costs of providing the service.

Control of Grasshoppers and Mormon Crickets

The Secretary must implement a program to control grasshoppers and Mormon crickets on all Federal lands. On request of the Federal agency responsible for the land or a State Department of Agriculture, USDA must treat Federal, State, or private lands that have high levels of infestation of grasshoppers or Mormon crickets, unless delaying treatment will optimize biological control and will not cause greater economic damage to adjacent landowners. USDA will pay 100 percent of the cost for control on Federal lands, 50 percent of the cost on State lands, and 33.3 percent of the cost on private rangelands.

Study of a Strategic Ethanol Reserve

The Secretary must study the cost effectiveness, economic benefits, and feasibility of establishing, maintaining, and using a Strategic Ethanol Reserve, in relation to the existing Strategic Petroleum Reserve. The study must be completed by December 23, 1986, and must include the benefits and losses related to the U.S. economy, farm income, employment, Government commodity programs, and the trade deficit from using a Strategic Ethanol Reserve, rather than the Strategic Petroleum Reserve; and an estimate of the savings from storing ethanol as opposed to storing the amount of CCC-held grain necessary to produce the ethanol. The Secretary may establish the reserve if the study shows that a Strategic Ethanol Reserve is cost effective, beneficial to the U.S. economy, and feasible compared with the Strategic Petroleum Reserve.

TITLE XVIII: GENERAL EFFECTIVE DATE

The general effective date of all provisions within this act that do not have separate effective dates is December 23, 1985 (when the President signed the legislation).

APPENDIX I: COMMODITY PROGRAM LEVELS, CROP YEARS 1982-86

Commodity	Unit	1982	1983	1984	1985	1986 1/
Dairy: 2/						
Milk support level 3/	Dollar per cwt	4/13.49 13.10	13.10	4/13.10 12.60	4/12.60 12.10 11.60	11.60
Net CCC purchases (milk equivalent) 5/	Billion pounds	13.8	16.6	10.4	11.5	NYA
Total milk production	do.	135.0	139.0	137.4	140.5	NYA
Wool, support level 6/	Cents per pound	137	153	165	165	178
Mohair, support level 6/	do.	398	463	517	443	493
Wheat:						
Target price	Dollars per bushel	4.05	4.30	4.38	4.38	4.38
Loan level	do.	3.55	3.65	3.30	3.30	2.40
Reduced acreage	Percent	15	15	20	20	22.50
Paid land diversion	do.	---	5	10	10	7/2.50
Payment-in-kind	do.	---	8/10-30	9/10-20	---	---
National base acreage	Million acres	90.6	90.8	93.9	93.9	92.6
Corn:						
Target price	Dollars per bushel	2.70	2.86	3.03	3.03	3.03
Loan level	do.	2.55	2.65	2.55	2.55	1.92
Reduced acreage 10/	Percent	10	10	10	10	17.50
Paid land diversion 10/	do.	---	10	---	---	7/2.50
Payment-in-kind	do.	---	8/10-30	---	---	---
National base acreage	Million acres	81.5	11/101.1	81.4	83.3	81.9
Grain sorghum:						
Target price	Dollars per bushel	2.60	2.72	2.88	2.88	2.88
Loan level	do.	2.42	2.52	2.42	2.42	1.82
Reduced acreage 10/	Percent	10	10	10	10	17.50
Paid land diversion 10/	do.	---	10	---	---	7/2.50
Payment-in-kind	do.	---	8/10-30	---	---	---
National base acreage	Million acres	7.7	11/101.1	18.4	19.9	18.8
Barley:						
Target price	Dollars per bushel	2.60	2.60	2.60	2.60	2.60
Loan level	do.	2.08	2.16	2.08	2.08	1.56
Reduced acreage 10/	Percent	10	10	10	10	17.50
Paid land diversion 10/	do.	---	10	---	---	7/2.50
National base acreage	Million acres	10.4	11/19.1	11.6	13.2	12.4
Oats:						
Target price	Dollars per bushel	1.50	1.60	1.60	1.60	1.60
Loan level	do.	1.31	1.36	1.31	1.31	.99
Reduced acreage 10/	Percent	10	10	10	10	17.50
Paid land diversion 10/	do.	---	10	---	---	7/2.50
National base acreage	Million acres	10.4	11/19.1	9.9	9.9	9.1
Rye:						
Loan level	Dollars per bushel	2.17	2.25	2.17	2.17	1.63
Upland cotton:						
Target price	Cents per pound	71.00	76.00	81.00	81.00	81.00
Loan level 6/	do.	57.08	55.00	55.00	57.30	55.00
Reduced acreage	Percent	15	20	25	20	25
Paid land diversion	do.	---	5	---	10	---
Payment-in-kind	do.	---	8/10-30	---	---	---
National base acreage	Million acres	15.3	15.4	15.6	15.8	15.6
ELS cotton:						
Target price 6/	Cents per pound	---	---	99.00	103.14	102.48
Loan level 6/	do.	99.89	96.25	82.50	85.95	85.40
Reduced acreage	Percent	---	---	10	10	10
National marketing quota	1,000 bales	157	102	---	---	---
National allotment	1,000 acres	120.2	80.1	---	---	---
National base acreage	do.	---	---	68.3	66.0	77.7

See footnotes at end of table.

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APPENDIX I: COMMODITY PROGRAM LEVELS, CROP YEARS 1982-86--CONTINUED

Commodity	Unit	1982	1983	1984	1985	1986 1/
Rice:						
Target price	Dollars per cwt	10.85	11.40	11.90	11.90	11.90
Loan level	do.	8.14	8.14	8.00	8.00	7.20
Reduced acreage	Percent	15	15	25	20	35
Paid land diversion	do.	--	5	--	15	--
Payment-in-kind	do.	--	8/10-30	--	--	--
National base acreage	Million acres	4.0	4.0	4.2	4.2	4.2
Peanuts:						
Loan level, quota	Dollars per ton	550	550	550	559	607.47
Loan level, additional	do.	200	185	185	148	149.75
Marketing poundage quota	1,000 tons	1,200	1,167	1,134	1,100	1,355.50
Soybeans, loan level	Dollars per bushel	5.02	5.02	5.02	5.02	4.77
Sugar:						
Loan level, raw cane	Cents per pound	17.00	17.50	17.75	18.00	18.00
Loan level, refined beets	do.	20.15	20.86	20.76	21.06	21.09
Honey, loan level <u>12/</u>	do.	60.4	62.2	65.8	65.3	64.0

-- = Program not used in that crop year.

NYA = Not yet announced.

1/ Levels could change as a result of the Balanced Budget and Emergency Deficit Control Act of 1985.

2/ Figures presented on a marketing year basis, October 1-September 30.

3/ Support level for milk with 3.67 percent milkfat.

4/ For 1982, the support price for milk was \$13.39 per cwt from October 1-20 and \$13.10 per cwt for the rest of the marketing year. For 1984, the support price was decreased to \$12.60 per cwt on December 1. For 1985, the support price was decreased to \$12.10 per cwt on April 1 and to \$11.60 per cwt on July 1.

5/ Price support purchases of butter, cheese, nonfat dry milk, evaporated milk, and dry whole milk, plus exports on which CCC issued in-kind certificates, less CCC sales for unrestricted use.

6/ Determined by statutory formula.

7/ Payments-in-kind (PIK).

8/ Producers could choose any level of participation from 10 to 30 percent, inclusive. However, for Upland cotton producers, the sum of the PIK acres plus the paid diversion acres could not exceed 30 percent of the base; therefore participants who elected to participate in the paid diversion would decrease their PIK acreage to 25 percent of the base. Producers also had the option of submitting bids to remove their entire crop-specific acreage base from production.

9/ Producers could choose any level of participation from 10 to 20 percent, inclusive.

10/ There are two established bases for the 1982-85 acreage reduction programs for feed grains: one for corn and sorghum; the other for barley and oats.

11/ Combined totals: corn and sorghum; barley and oats.

12/ Determined by statutory formula for the 1982-85 crops.

APPENDIX 2: MAJOR AGRICULTURAL LEGISLATION, 1933-86

Agricultural Adjustment Act of 1933 (P.L. 73-10)

Signed May 12, 1933

The first major price-support and acreage reduction program

Set parity as the goal for farm prices

Achieved acreage reduction through voluntary agreements with producers

Regulated markets through voluntary agreements with processors and others

Used processing taxes to offset cost of program

Agricultural Adjustment Act Amendments of 1935 (P.L. 74-320)

Signed August 24, 1935

Gave President authority to impose import quotas when imports interfered with agricultural adjustment programs

Designated 30 percent of customs receipts to promote agricultural exports and domestic consumption and help finance adjustment programs

Soil Conservation and Domestic Allotment Act (P.L. 74-461)

Signed February 29, 1936

Payments to farmers authorized to encourage conservation

Set parity as the goal for farm income

Agricultural Adjustment Act of 1938 (P.L. 75-430)

Signed February 16, 1938

Modified Soil Conservation and Domestic Allotment Act

Provided for acreage allotments, payment limits, and protection for tenants

First comprehensive price-support legislation with nonrecourse loans

Marketing quotas established for several crops

Steagall Amendment of 1941 (P.L. 77-144)

Signed July 1, 1941

Required support of many nonbasic commodities at 85 percent of parity or higher

Amended to require 90 percent of parity and extended for 2 years after World War II

Commodity Credit Corporation Charter Act (P.L. 80-89)

Signed June 29, 1948

Provided the legal entity through which USDA stabilizes prices and facilitates the efficient distribution of agricultural commodities

Agricultural Act of 1948 (P.L. 80-897)

Signed July 3, 1948

Shifted price supports from fixed to flexible

Modernized the parity formula

Agricultural Act of 1949 (P.L. 81-439)

Signed October 31, 1949

Became part of fundamental legislation along with 1938 Act; last major act without an expiration date

Superseded 1948 Act, postponing flexible price supports

Cushioned impact of new parity formula

Agricultural Trade Development and Assistance Act of 1954 (P.L. 83-480)

Signed July 10, 1954

Became the basic act for selling and bartering surplus commodities overseas and for overseas relief

Agricultural Act of 1954 (P.L. 83-690)

Signed August 28, 1954

Established flexible price supports beginning in 1955

Authorized a CCC reserve for foreign and domestic relief

National Wool Act of 1954 (Title VII of the Agricultural Act of 1954)

Authorized direct income payments for wool and mohair equal to the difference between the prices received and certain support levels

Agricultural Act of 1956 (P.L. 84-540)

Signed May 28, 1956

Began Soil Bank program for long- and short-term removal of land from production

Consolidated Farm and Rural Development Act (P.L. 87-128)

Signed August 8, 1961

Authorized USDA farm-lending activities

Food and Agriculture Act of 1962 (P.L. 87-703)

Signed September 27, 1962

Continued feed grain acreage reduction program

Provided two-tiered feed grain supports with price-support payments and nonrecourse loans

Proposed a mandatory wheat program, which was voted down by referendum

Agricultural Act of 1964 (P.L. 88-297)

Signed April 11, 1964

Established a wheat marketing certificate program

Began a cotton PIK program

Food Stamp Act of 1964 (P.L. 88-525)

Signed August 31, 1964

Provided the legislative base for the Food Stamp Program

Later superseded by the food stamp provisions (title XIII) of the Food and Agriculture Act of 1977

Food and Agriculture Act of 1965 (P.L. 89-321)

Signed November 3, 1965

First in a series of comprehensive, multiyear farm laws; lasted 5 years

Extended voluntary acreage controls to wheat and cotton

Extended wheat certificate program from 1964

Agricultural Act of 1970 (P.L. 91-524)

Signed November 30, 1970

Provided a more flexible approach to supply control through set-asides

Limited Government payments to \$55,000 per crop

Agriculture and Consumer Protection Act of 1973 (P.L. 93-86)

Signed August 10, 1973

Target prices and deficiency payments replaced price-support payments

Lowered payment limit to \$20,000

Emphasized expanded production to meet world demand

Food and Agriculture Act of 1977 (P.L. 95-113)

Signed September 29, 1977

Raised price and income supports

Continued flexible production controls and target prices

Established farmer-owned reserve for grains

Set up new two-tiered peanut program

Food Stamp Act of 1977

Title XIII of the 1977 Act (permanently amended the Food Stamp Act of 1964)

Eliminated purchase requirement

Simplified eligibility determinations

National Agricultural Research, Extension, and Teaching Policy Act

Title XIV of 1977 Act

Made USDA the lead Federal agency for agricultural research, extension, and teaching programs

Consolidated the funding for these programs

Federal Crop Insurance Act of 1980 (P.L. 96-365)

Signed September 26, 1980

Expanded crop insurance from experimental program to a national program covering all crops

Agriculture and Food Act of 1981 (P.L. 97-98)

Signed December 22, 1981

Contained a number of cost-cutting measures

Set specific target prices for 4-year length of bill

Eliminated rice allotments and marketing quotas

Lowered dairy supports

Omnibus Budget Reconciliation Act of 1982 (P.L. 97-253)

Signed September 8, 1982

Froze dairy price supports

Mandated loan rates and ARP's for 1983 crops

Temporary Emergency Food Assistance Act of 1983 (P.L. 98-8)

Signed March 24, 1983

Authorized distribution of CCC-owned foodstuffs to indigent persons

Extra Long Staple Cotton Act of 1983 (P.L. 98-88)

Signed August 26, 1983

Eliminated marketing quotas and allotments

Tied ELS cotton support to Upland cotton through formula

Dairy and Tobacco Adjustment Act of 1983 (P.L. 98-180)

Signed November 29, 1983

Froze tobacco price supports

Launched a voluntary dairy diversion program

Established a dairy promotion order

Agricultural Programs Adjustment Act of 1984 (P.L. 98-258)

Signed April 10, 1984

Froze target price increases provided in 1981 Act

Authorized paid diversions for feed grains, Upland cotton, and rice

Provided wheat PIK program for 1984

Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177)
Signed December 12, 1985
Designed to eliminate the Federal budget deficit by October 1, 1990
Mandated annual reductions in Federal outlays including agriculture

Food Security Act of 1985 (P.L. 99-198)
Signed December 23, 1985
Allowed lower price and income supports
Lowered dairy price supports and established dairy herd buy-out program
Targeted conservation reserve at erosive croplands

Farm Credit Restructuring and Regulatory Reform Act of 1985 (P.L. 99-205)
Signed December 23, 1985
Implemented interest rate subsidy for farm loans
Restructured Farm Credit Administration

Technical Corrections to Food Security Act of 1985 Amendments (P.L. 99-253)
Signed February 28, 1986
Made cross compliance for wheat and feed grains discretionary instead of mandatory
Changed acreage base calculations
Specified election procedure for local ASC committees

Food Security Improvements Act of 1986 (P.L. 99-260)
Signed March 20, 1986
Made further changes in the Act of 1985 (see app. 5)

APPENDIX 3: GLOSSARY OF AGRICULTURAL POLICY TERMS

Acreage allotment. An individual farm's share, based on its previous production, of the national acreage needed to produce sufficient supplies of a particular crop.

Acreage-reduction program (ARP). A voluntary land retirement system in which farmers reduce their planted acreage from their base acreage. Farmers are usually not paid for ARP participation, although it can be required for participation in other agricultural programs.

Advance recourse loans. Price-support loans made early in a crop year to farmers to enable them to hold their crops for later sale, usually within the marketing year. Farmers must repay the recourse loan with interest and reclaim their collateral.

Agricultural Marketing Service (AMS). A USDA agency that establishes standards for grades of cotton, tobacco, meat, dairy products, eggs, fruits, and vegetables; operates grading services; and administers Federal marketing orders.

Agricultural Research Service (ARS). A USDA agency which conducts basic, applied, and developmental research of regional, national, or international concerns in the fields of livestock; plants; soil, water, and air quality; energy; food safety and quality; nutrition; food processing, storage, and distribution efficiency; nonfood agricultural products; and international development.

Agricultural Stabilization and Conservation Service (ASCS). A USDA agency responsible for administering farm price- and income-support programs as well as some conservation and forestry cost-sharing programs; local offices are maintained in nearly all farming counties.

Animal and Plant Health Inspection Service (APHIS). A USDA agency established to conduct regulatory and control programs to protect animal and plant health.

Basic commodities. Six crops (corn, cotton, peanuts, rice, tobacco, and wheat) declared by legislation as requiring price support.

Bilateral agreement. A two-country agreement for the exchange of specified products.

Carryover. The supplies of a farm commodity not yet used at the end of a marketing year. Marketing years generally start at the beginning of the new harvest for a commodity.

Casein. A processed milk byproduct.

Commodity Credit Corporation (CCC). A wholly owned Federal corporation within USDA. CCC functions as the financial institution through which all money transactions are handled for farm price and income support.

Commodity Futures Trading Commission (CFTC). An independent Government commission which regulates trading on the 11 U.S. futures exchanges. CFTC also regulates the activities of numerous commodity exchange members, public brokerage houses, commodity trading advisors, and commodity pool operators.

Conservation district. Any unit of local government formed for the purpose of carrying out a local soil and water conservation program.

Conservation plan. A combination of land uses and practices to protect and improve soil productivity and to prevent soil deterioration from erosion or other adverse effects.

Conservation reserve program. A long-range program under which farmers voluntarily contract to take cropland out of production for 10 to 15 years and devote it to conserving uses. In return, farmers may receive an annual rental payment for the contract period and assistance either in cash or in-kind (PIK) for carrying out approved conservation practices on the conservation acreage.

Converted wetlands. Wetlands that have been drained or otherwise manipulated for the purpose of producing agricultural commodities. See Wetlands.

Crop acreage base. For wheat, feed grains, Upland cotton, and rice, the average of the acreage planted and considered planted to the crop for harvest during the 5 preceding crop years.

Deficiency payment. Government payment made to farmers who participate in feed grain, wheat, rice, or cotton programs; payment rate is per bushel, pound, or hundredweight, based on the difference between a target price and the market price or the loan rate, whichever difference is less. See Target price.

Disaster payment. Federal aid provided to farmers for feed grains, wheat, rice, and Upland cotton when either planting is prevented or crop yields are abnormally low because of adverse weather and related conditions. The Secretary has the option to offer disaster payments for the 1985-90 crops of peanuts, soybeans, sugarcane, and sugar beets.

Environmental Protection Agency (EPA). An independent Government agency established in 1970 and charged with the responsibility of coordinating effective governmental action on the part of the environment.

Export allocation or quota. Control applied to exports by an exporting country to limit the amount of goods leaving that country. Such controls usually are applied in time of war or during some other emergency requiring conservation of domestic supplies.

Extension Service. USDA's educational agency. One of the three partners in the Cooperative Extension Service with State and local governments. All three share in financing, planning, and conducting the education programs.

Extra long staple (ELS) cotton. Long staple is considered cotton that is 1-3/8" or more in length. Most ELS cotton is grown in the Southwest and called American Pima cotton.

Family-size farm. A farm that (1) produces agricultural commodities for sale in such quantities so as to be recognized in the community as a farm and not a rural residence; (2) produces enough income (including off-farm employment) to pay family and farm operating expenses, pay debts, and maintain the property; (3) is managed by the operator; (4) has a substantial amount of labor provided by the operator and family; and (5) uses seasonal labor during peak periods and a reasonable amount of full-time labor.

Farm. Defined by the Bureau of the Census in 1978 as any place that has or would have had \$1,000 or more in gross sales of farm products.

Farm acreage base. The total of the crop acreage bases (wheat, feed grains, Upland cotton, and rice) for that farm for that year, the average acreage planted to soybeans, and the average acreage devoted to conserving uses (excluding ARP's).

Farm Credit Administration. The Government agency responsible for the supervision, examination, and coordination of the Farm Credit System.

Farm Credit System. A system of borrower-owned banks providing loans to the agricultural sector. Federal land banks make long-term farm and rural real estate loans. Federal intermediate credit banks provide funds to production credit associations that make short- and intermediate-term loans to farmers, ranchers, farm-related businesses, and commercial fishermen. Banks for cooperatives make loans to all kinds of agricultural and aquatic cooperatives.

Farmer-owned reserve (FOR). Program designed to provide protection against wheat and feed grain production shortfalls and provide a buffer against unusually sharp price movements. Farmers place their grain in storage and receive extended nonrecourse loans for 3 years, with extensions as warranted by market conditions. Interest on the loan may be waived, and farmers may receive annual storage payments from the Government. Farmers cannot take grain out of storage without penalty unless the market price reaches a specified "release price." When the release price is reached, farmers may elect to remove their grain from the reserve but are not required to do so. However, at that point the storage and interest incentives may be reduced or eliminated.

Farmers Home Administration (FmHA). A USDA agency that provides credit for those in rural America who are unable to get credit from other sources at reasonable rates and terms.

Federal crop insurance. A voluntary risk management tool, available to farmers since the thirties, that protects them from the economic effects of unavoidable adverse natural events. Administrative costs are appropriated by the Congress and 30 percent of the insurance costs are federally subsidized.

Federal Crop Insurance Corporation (FCIC). A wholly owned Federal corporation within USDA that administers the Federal Crop Insurance Program.

Federal Grain Inspection Service (FGIS). A USDA agency that establishes official U.S. standards for grain and other assigned commodities and administers a nationwide inspection system to certify those grades.

Federal marketing orders and agreements. To promote orderly marketing, a means authorized by legislation for agricultural producers to collectively influence the supply, demand, or price of particular commodities. Approved by a required number of a commodity's producers--usually two-thirds--the marketing order is binding on handlers of the commodity. It may limit total marketings, prorate the movement of a commodity to market, or impose size and grade standards.

Feed grain. Any of several grains most commonly used for livestock or poultry feed, such as corn, grain sorghum, oats, and barley.

Food grain. Cereal seeds most commonly used for human food, chiefly wheat and rice.

Food Stamp Program. A USDA program designed to help low-income households buy an adequate, nutritious diet. The program began as a pilot operation in 1961 and was made part of permanent legislation in the Food Stamp Act of 1964.

General Agreement on Tariffs and Trade (GATT). An agreement negotiated in 1947 among 23 countries, including the United States, to increase international trade by reducing tariffs and other trade barriers. This multilateral agreement provides a code of conduct for international commerce. GATT also provides a framework for periodic multilateral negotiations on trade liberalization and expansion. Seven sessions have been held, most recently the Tokyo Round Multilateral Trade Negotiations, which began in 1973 and ended early in 1979.

Green dollar export certificates. The Secretary may make available transferable certificates to commercial agricultural exporters for market expansion and development activities. Certificates would then be redeemed within 6 months of issuance for CCC commodities.

Highly erodible cropland. Highly erodible land that is in cropland use, as determined by the Secretary. See Highly erodible land.

Highly erodible land. Land that is classified by the Soil Conservation Service (SCS) as class IV, VI, VII, or VIII land under the land capability classification system or land that has an excessive average annual rate of erosion in relation to its soil loss tolerance level as determined by the Secretary.

Hydric soil. Soil that, in its undrained state, is flooded long enough during a growing season to develop an anaerobic condition that supports the growth and regeneration of hydrophytic vegetation.

International trade barriers. Regulations used by governments to restrict imports from, and exports to, other countries. Examples are tariffs, embargoes, import quotas, and unnecessary sanitary restrictions.

Import quota. The maximum quantity or value of a commodity allowed to enter a country during a specified time period.

Land capability classes. A system of expressing the suitability of a soil for agricultural use. Soils are grouped (classes I through VIII) according to their limitations when used for field crops, the risk of damage when they are used, and the way they respond to treatment. The numerals indicate progressively greater limitations and narrower choices for practical use.

Loan rate. The price per unit (bushel, bale, or pound) at which the Government will provide loans to farmers to enable them to hold their crops for later sale.

Marketing certificate. A certificate which may be redeemed for a specified amount of CCC commodities.

Marketing loan. Authorizes producers to repay their commodity loan at a lower "market" level.

Marketing quota. Under certain agricultural programs, that quantity of a commodity that will provide adequate and normal market supplies. When marketing quotas are in effect (only after approval by two-thirds or more of the eligible producers voting in a referendum), growers who produce in excess of their farm acreage allotments are subject to marketing penalties on the "excess" production and are ineligible for Government price-support loans. Quota provisions have been suspended for wheat, feed grains, and cotton since the sixties; rice quotas were abolished in 1981. Poundage quotas are still used for domestically consumed peanuts, but not for exported peanuts.

Multilateral. Agreements or programs involving three or more countries, such as the General Agreement on Tariffs and Trade. See Bilateral.

National Agricultural Cost of Production Standards Review Board. Established in 1981 to annually review the cost of production methodology used by USDA in price-support programs.

National farm program acreage. The number of harvested acres of feed grains, wheat, Upland cotton, and rice needed nationally to meet domestic and export use and to accomplish any desired increase or decrease in carryover levels. Program acreage for an individual farm is based on the producer's share of the national farm program acreage.

Nonrecourse loans. Price-support loans to farmers to enable them to hold their crops for later sale, usually within the marketing year. The loans are nonrecourse in that farmers can forfeit without penalty the loan collateral (the commodity) to the Government as settlement of the loan. See Loan rate.

Normal crop acreage. The acreage on a farm normally devoted to a group of designated crops. When a set-aside program is in effect, a farm's total planted acreage of such designated crops plus set-aside acreage cannot exceed the normal crop acreage, if the farmer wants to participate in the commodity loan program or receive deficiency payments.

Normal yield. A term designating the average historical yield established for a particular farm or area. Normal production would be the normal acreage planted to a commodity multiplied by the normal yield.

Office of Technology Assessment (OTA). Established in 1972, OTA is a nonpartisan support agency which serves Congress. Its purpose is to provide analyses of emerging, difficult, and technical issues that confront our society.

Paid diversion. A voluntary land retirement system in which farmers are paid for foregone production from their base acreage.

Parity price. Originally, the price per bushel, pound, or bale that would be necessary for a bushel today to buy the same quantity of goods (from a standard list) that a bushel would have bought in the 1910-14 base period at the prices then prevailing. In 1948, the parity price formula was revised to make parity prices dependent on the relationship of farm and nonfarm prices during the most recent 10-year period for nonbasic commodities. Basic commodities, including wheat, corn, rice, peanuts, and cotton use the higher of the historical formula or the new formula.

Payment-in-kind (PIK). Used by CCC in both export and domestic commodity programs, PIK certificates, expressed as a dollar value, may be redeemed either for commodities or, in some cases, for cash.

Payment limitation. A limitation set by law on the amount of money any one individual may receive in farm program payments, such as deficiency and disaster payments, each year under the feed grain, wheat, cotton, and rice programs. The limitation, currently \$50,000, does not include the value of loans received, any gain realized from a marketing loan, deficiency payments made as a result of lowering the basic loan rate (under the wheat and feed grain programs), loan deficiency payments, inventory reduction payments, and benefits received as a result of cost reduction actions by the Secretary.

Permanent legislation. The statutory legislation upon which many agricultural programs are based (for the major commodities, principally the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949). Although these laws are frequently amended for a given number of years, they would once again become law if current amendments, such as the 1985 Act, were to lapse or new legislation not be enacted.

Program crops. Wheat, corn, barley, grain sorghum, oats, Upland cotton, and rice.

Program yield. The farm commodity yield of record determined by averaging the yield for the past 5 years, dropping the high and low years.

Public Law 480. Enacted in 1954 to expand foreign markets for U.S. agricultural products, combat hunger, and encourage economic development in developing countries. Makes U.S. agricultural commodities available through low-interest, long-term credit under title I of the act, and as donations for famine or other emergency relief under title II. Under title I, the recipient country agrees to undertake agricultural development projects to improve its own food production or distribution. Title III authorizes "food for development" projects.

Puerto Rico block grant. Annual funding to provide food assistance to needy persons in Puerto Rico in lieu of the Food Stamp Program.

Rural Electrification Administration (REA). A USDA agency which assists rural electric and telephone utilities to obtain financing.

Set-aside. A program to limit production by restricting the use of land. Restricts the amount of a farmer's total cropland base used for production rather than on the acres used to produce a specific crop. See Normal crop acreage.

Shelterbelt. A plant barrier of trees, shrubs, or other approved perennial vegetation designed to reduce wind erosion.

Skip-row planting. Planting in uniform spaces one or more rows to a commodity (especially cotton), then skipping one or more rows.

Soil Conservation Service (SCS). A USDA agency responsible for developing and carrying out national soil and water programs in cooperation with landowners, operators, and others.

Subsidy. Any national tax rebate on exports, financial assistance on preferential terms, financial assistance for operating losses, assumption of costs or expenses of production, processing, or distribution, a differential export tax or duty exemption, domestic consumption quota, or other method of ensuring the availability of raw materials at artificially low prices.

Target option program. A program in which wheat producers, at the Secretary's discretion, choose from a schedule of target prices and corresponding acreage reduction levels.

Target price. A price level established by law for wheat, feed grains, rice, and cotton. If the market price falls below the target price, an amount equal to the difference (but not more than the difference between the target price and price-support loan levels) is paid to farmers who participate in commodity programs. See Deficiency payment.

Tariffs. A system of duties imposed by government on imported goods.

Temporary Emergency Food Assistance Program (TEFAP). Established in 1983 to provide CCC-owned foodstuffs, at no charge, to States in amounts relative to the number of unemployed and needy persons. The food is distributed by charitable organizations to eligible recipients.

U.S. Trade Representative. An independent Government agency charged with administering the U.S. trade agreements programs.

Vegetative cover. Perennial grasses, legumes, or shrubs with an expected lifespan of 5 years, or trees.

Wetlands. Land that has a predominance of hydric soils and that is inundated by surface or ground water often enough to support a prevalence of hydrophytic vegetation typically adapted for life in saturated soil conditions. See Hydric soil.

Whole herd buy-out program. Program whereby producers may submit bids to the Secretary for the purpose of ending milk production in return for payment.

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APPENDIX 5: SUMMARY OF THE FOOD SECURITY IMPROVEMENTS ACT OF 1986

The Food Security Improvements Act of 1986 (P.L. 99-260) was passed by Congress on March 12, 1986, and signed by the President on March 20, 1986. The provisions summarized below make "technical corrections" to the Food Security Act of 1985.

Nonprogram Crops

The 1986 Act limits the crops that can be planted under the 50-92 provisions of the 1985 Act (see the Farm Program Acreage sections of titles III-VI). Under the 1985 Act, any crops other than wheat, feed grains, cotton, rice, and soybeans can be seeded on the underplanted acreage. The crops allowed by the 1986 Act, however, include only sweet sorghum, guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, commodities grown for experimental use (including kenaf), and commodities for which no substantial domestic production or markets exist but which could be used to make industrial products that are now imported. These crops can be planted only if the Secretary determines that such production will probably not increase the cost of price support programs, will not adversely affect farm income, and is needed to provide adequate supplies of the crop or to encourage domestic production of industrial raw materials. These restrictions do not apply to producers who planted (or contracted to plant) a nonprogram crop on the permitted acreage before February 26, 1986.

Haying and grazing are permitted on the underplanted acreage at the request of the State ASC committee, unless the Secretary determined that there would be an adverse economic effect.

Protection of Crop Acreage Bases

The 1986 Act adds a related provision concerning crop acreage bases (title X). If a producer plants for harvest at least 50 percent of the permitted acreage to a program crop (wheat, feed grains, Upland cotton, or rice); devotes the rest to a crop other than peanuts, soybeans, ELS cotton, or the commodities listed above; and does not receive deficiency payments under the 50-92 provisions, then 50 percent of the permitted acreage is considered planted in crop years 1986-87, 35 percent in 1988, and 20 percent in 1989.

Farm Program Payment Yields

Under the 1986 Act, if the farm program yield for the 1986 crop is reduced by more than 3 percent from the 1985 program yield, the Secretary must make up the difference to the 3-percent level in CCC-owned commodities. For the 1987 crop, if the program yield declines more than 5 percent from 1985, the Secretary must make up the difference to the 5-percent level in CCC-owned commodities. For the purposes of calculating farm program payment yields for crop years 1988-90, the 1986 program yield cannot be reduced more than 10 percent below that of 1985.

Haying and Grazing

The 1986 Act changes the provisions for haying and grazing on diverted wheat and feed grain acreage to permit haying and grazing, if requested by the State ASC committee, during the 5 principal growing months of the 1986 crop year. The grazing provisions for 1987-90 remain the same (see the Acreage Reduction section in titles III-IV).