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Provisions of the Agriculture and Food Act of 1981

James Johnson
Richard W. Rizzi
Sara D. Short
R. Thomas Fulton

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ABSTRACT

Commodity program provisions of the Agriculture and Food Act of 1981 are summarized. Price support, loan level, disaster payment, program acreage, and other provisions of the legislation are discussed for wheat, feed grains, cotton, rice, peanuts, soybeans, sugar, dairy, and wool and mohair. The following provisions are also summarized: miscellaneous; grain reseves; the national agricultural cost of production standards review board; agricultural exports and PL-480; food stamps; research, extension, and teaching; resource conservation; credit, rural development, and family farms; and floral research and consumer information.

Keywords: Price supports and loan levels, dairy, wool and mohair, wheat and feed grains, cotton, rice, peanuts, soybeans, sugar, grain reserves, food stamps, agricultural research and extension, and resource conservation.

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SUMMARY

The Agriculture and Food Act of 1981 (PL 97-98) is a 4-year authorization bill for many farm programs--commodity provisions apply, for the most part, to the 1982 through the 1985 crop years. In addition, the food stamp program, resource conservation, and PL-480 programs are dealt with by this legislation.

Loan Program

Minimum support levels are established for wheat and feed grains. No mandatory adjustment mechanism is included. The upland cotton and rice loans will be determined in the same way as with the 1977 Act, as amended. The peanut loan level will have a minimum level for the 1982 crop, but in out years it must be set to reflect changes in the cost of production--not to exceed 6 percent in any year. A new sugar loan and purchase program is initiated with minimum levels established. In addition, the soybean loan program is continued.

Target Prices

The target price/deficiency payment program is continued for wheat, feed grains, upland cotton, and rice. Minimum target price levels are set for all crops. The Secretary is given authority to adjust the wheat, feed grains, upland cotton, and rice targets by changes in cost of production. The upland cotton target must be set at the higher of the minimum level, plus any adjustments made for changes in production costs or 120 percent of the loan level.

Acreage Reduction

The Secretary is authorized to use either an acreage limitation or a set-aside program to reduce the acreage planted to wheat or feed grains, if needed. The acreage limitation program, but not the set-aside, is available to reduce the acreage planted to upland cotton or rice. Paid land diversion authority is also continued for wheat, feed grains, upland cotton, and rice.

Allotments and Quotas

Provisions relating to rice acreage allotments and marketing quotas are repealed. Peanut acreage allotments are suspended for the 1982 through 1985 crop years. However, the poundage quota for peanuts remains. Those producers holding peanut allotments in 1981 will receive a poundage quota.

Grain Reserves

The farmer-owned reserve program is continued. The program's operating regulations will be determined by the Secretary.

Export Provisions

The PL-480 program is continued through December 31, 1985. New provisions to compensate producers in the event of embargoes that are agricultural specific are included. The Secretary is given authority to set up an export credit revolving fund and special standby export subsidy program.

Other Provisions

The food stamp program, with modifications, is authorized to continue for one year. Research, extension, and teaching programs are authorized to continue through fiscal year 1985. New resource conservation programs are established. Finally, a cost of production review board and a floral research and consumer information board (Floraboard) are established.

PROVISIONS OF THE AGRICULTURE AND FOOD ACT OF 1981

INTRODUCTION

The Agriculture and Food Act of 1981 (1981 Act hereafter) was signed into law by President Reagan December 22, 1981. The 1981 Act, popularly known as the farm bill, is an omnibus piece of legislation containing 18 titles. This report presents a summary of the provisions included in these 18 titles.

Provisions in the 1981 Act provide a framework within which the Secretary of Agriculture will administer the various agriculture and food programs. The new act gives the Secretary substantial new discretionary authority to issue regulations and implement various provisions as he sees fit.