

productivity and profitability of the farm, soil longevity and fertility, and water quality, and assist producers in complying with Federal, State, and local environmental requirements. To the extent practicable, the Secretary will enroll 3-5 million acres during calendar years 1991-95. When enrolling land, the Secretary must consider the effects on a county's economy and ensure that it is not adversely affected by excessive enrollment in conservation programs.

Contract periods are for 3-5 years and may be renewed by mutual agreement of the Secretary and the producer. Participants must apply an approved integrated farm management plan and devote at least an average of 20 percent of their enrolled crop acreage bases to a resource-conserving crop. Resource-conserving crops include legumes, legume-grass mixtures, legume-small grain mixtures, legume-grass-small grain mixtures, and alternative crops.

No approved plans may result in the involuntary displacement of farm tenants or lessees by landowners through the removal of substantial portions of the farm from production of a commodity.

The crop acreage base and farm program payment yields will not be reduced as a result of planting a resource-conserving crop as part of a resource-conserving crop rotation. Farm program payments will not be reduced when resource-conserving crops are planted as part of a rotation on payment acreage. Further, participants must comply with the terms and conditions of any annual acreage limitation program in effect. Acreage devoted to resource-conserving crops, except acreage for which USDA shares the cost of establishing perennial covers, may also be designated as conserving-use acreage for acreage limitation or land diversion programs. Haying and grazing on up to 50 percent of enrolled acreage are allowed unless the Secretary determines that allowing it will result in a significant adverse economic impact on hay or livestock prices in a particular geographic area. Barley, oats, or wheat planted as part of a resource-conserving crop on reduced acreage cannot be harvested in kernel form.

Farmland Protection

FmHA must establish and implement an Agricultural Resource Conservation Demonstration Program. This program will provide Federal loan guarantees and interest rate subsidies for loans made by lending institutions to eligible State trust funds. The loans will enable participating States to acquire an interest in land to protect and preserve important farmlands for future agricultural use. The Secretary may establish an Agricultural Resource Conservation Revolving Fund in the U.S. Treasury.

Eligible States include Vermont and any other State at the option of the Secretary if there are appropriations and if on or before August 1, 1991, the State operates or administers a land preservation fund that invests funds in the protection or preservation of farmland for agricultural purposes.

The Federal Government will reimburse States for all interest costs on loans for the first 5 years of the loan. For the second 5 years of the loan, interest rates are partially subsidized by at least 3 percentage points. Loan guarantees to a State are limited to an amount that is double the funds made available by the State, not to exceed \$10 million per fiscal year. Each State's trust fund must pay the rate of interest and the principal at the end of the 10th year. The program will expire on September 30, 1996.

Agricultural Council on Environmental Quality

An Agricultural Council on Environmental Quality (ACEQ) and an Office of Environmental Quality must be established in USDA. The ACEQ is responsible for coordinating and directing all environmental policies and programs of USDA.

Membership on the Agricultural Council includes the Secretary, the Deputy Secretary, the Assistant Secretary for Natural Resources and Environment, the Assistant Secretary for Science and Education, other under and assistant secretaries designated by the Secretary, and the Director of the Office of Environmental Quality who will serve as the Executive Director.

The Council must develop a departmental and agency-specific environmental quality policy statement that identifies goals and objectives for addressing the effects of agriculture on environmental quality. In addition, the Council must prepare a plan to implement the policy statement. The Council must submit an Environmental Quality Report to Congress each year.

Pesticide Recordkeeping

Certified applicators of restricted-use pesticides are required to maintain records that are comparable with the records maintained by commercial applicators in their State. If there is no State recordkeeping requirement, certified applicators must maintain records that list the product name, amount, approximate date of application, and location of the application and they must keep these records for a 2-year period. Within 30 days of a pesticide application, commercial certified applicators must send a record of their use of pesticides to the person for whom the application was performed.

These records must be made available to State and Federal agencies that deal with pesticide use and related health or environmental issues. In addition, records must be made available to health-care professionals if this information is necessary to provide the appropriate medical treatment to an individual who may have been exposed to pesticides. No government agency may release this data, including the location from which the data were derived, that could directly or indirectly reveal the identity of individual producers.

Certified applicators who fail to maintain records or to make them available may be fined up to \$500 for the first offense. Every subsequent offense may result in a fine of at least \$1,000 or, if the Secretary determines that they made a good faith effort to comply, a lesser fine may be imposed.

USDA and EPA must develop and maintain a data base from the pesticide records and publish an annual comprehensive report concerning agricultural and nonagricultural pesticide use.

When registering a pesticide for minor agricultural use, a registrant does not have to submit field residue data from geographic areas where the pesticide will not be used.

A registrant may request cancellation of a pesticide or terminate one or more of its uses at any time. The request is published in the Federal Register followed by a public comment period of up to 90 days. During this period, a registrant may transfer the registration to another person.

Miscellaneous Provisions

The 1990 Act reauthorizes the Resource Conservation and Development Program through 1995 with an increase in the maximum number of areas from 225 to 450.

The 1990 Act amends the 1974 Federal Noxious Weed Act to have the Secretary of Agriculture and the Secretary of the Interior coordinate Federal agency programs for the control, research, and educational efforts associated with Federal, State, and locally designated noxious weeds. Each Federal agency must designate an office or person adequately trained in the management of undesirable plant species to (1) develop and coordinate an undesirable plant management program for control of undesirable plants on Federal lands under the agency's jurisdiction; (2) establish and adequately fund an undesirable plant management program; (3) complete and implement cooperative agreements with State agencies regarding the management of undesirable plant species on Federal lands under the agency's jurisdiction; and (4) establish integrated management systems to control or contain undesirable plant species targeted under cooperative agreements.

The 1990 Act reauthorizes the Great Plains Conservation Program for 10 years with an authorization of \$1 billion.

The Secretary must identify and compile appropriate methods of composting agricultural wastes and the potential uses of compost. This information must be made available to the appropriate Federal, State, or other private authorities and the general public. The Secretary must conduct research to determine potential uses for compost derived from animal wastes and other waste streams.

The 1990 Act amends the 1954 Watershed Protection and Flood Prevention Act. The Secretary may now provide cost-share assistance to project sponsors to enable them to acquire perpetual wetland or floodplain conservation easements. The easements will strive to perpetuate, restore, and enhance the natural capability of wetlands and floodplains to retain excessive floodwaters, improve water quality and quantity, and provide fish and wildlife habitats. Project sponsors are required to provide up to 50 percent of the cost of acquiring the easements.

Water quality coordination programs must be established in each State. These programs will coordinate State agencies working on water programs and will prioritize the issues for agriculture and water research agendas.

In addition, USDA must establish a coordinated water quality and nutrient management research program. This program will strive to reduce sources of surface and ground water contaminants through the development of farm systems which replace or conserve use of contaminants while maintaining farm profitability. It also will develop the information needed for integrated management strategies that avoid contamination of water. The program will monitor and evaluate the extent of water contamination from agricultural practices. Research must be conducted on water quality issues and farming practices to protect water quality.

USDA must develop and deliver educational programs, technical assistance, and research programs that ensure use, storage, and disposal of agrichemicals by the user are prudent, economical, and environmentally sound. It must also ensure that agrichemical users, dealers, and the general public understand the implications of their actions and the potential effects on water.

Title XV--Agricultural Trade

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Title XV of the 1990 Act continues existing agricultural export programs with some significant modifications. While the priority of objectives and the management of the Public Law (P.L.) 480 food aid program are changed, the manner by which U.S food aid is provided remains similar to before. The 1990 Act continues export credit guarantees, with additional guarantees made available to emerging democracies. The Market Promotion Program (MPP) replaces the Targeted Export Assistance (TEA) Program of the Food Security Act of 1985 and has a slightly broader intent. The Export Enhancement Program (EEP) is continued. Management guidelines for these programs and other mandates are specified.

U.S. Food Aid

U.S. food aid is provided primarily under the Agricultural Trade Development and Assistance Act of 1954, as amended, commonly referred to as P.L. 480, or the Food for Peace Program. The 1990 Act completely rewrites P.L. 480 legislation. Principal changes include establishing direct management responsibilities, a new bilateral grant program, and debt forgiveness.

The 1990 Act restates P.L. 480's policy objectives to emphasize using the abundant agricultural productivity of the United States to promote U.S. foreign policy by enhancing the food security of the developing world. This will be achieved through the use of agricultural commodities and local currencies accruing under this act to (1) combat world hunger and malnutrition and their causes; (2) promote broad-based, equitable, and sustainable development (including agriculture); (3) expand international trade; (4) develop and expand export markets for U.S. agricultural commodities; and (5) foster and encourage the development of private enterprise and democratic participation in developing countries.

Management responsibilities for the P.L. 480 program are specified under the 1990 Act. USDA is required to implement and administer title I, the concessional sales and market development program. The Agency for International Development (AID) is required to implement and administer both title II (donations) and the new title III, the government-to-government grants program. The Secretary of Agriculture and the AID Administrator must cooperate and consult with each other in implementing P.L. 480. Titles I/III and II were previously managed by interagency committees chaired by USDA and AID, respectively.

Title I--Trade and Development Assistance

The 1990 Act continues title I concessional sales (long-term, low-interest credit sales or local currency cash sales) of U.S. agricultural commodities to a foreign country. Credit sales in terms of local currencies are now permitted.

Countries eligible for title I assistance are those developing countries that have a shortage of foreign exchange earnings and have difficulties meeting all of their food needs through commercial channels. Priority is to be given to those countries that demonstrate the greatest food need, are undertaking economic development measures, and are potential commercial U.S. markets. The 1990 Act no longer requires 75 percent of title I allocations be directed toward countries defined as the world's poorest.

Concessional sales have maximum repayment terms of 30 years with a grace period of 7 years, compared with previous terms of a maximum 40-year repayment period with a 10-year grace period. The Secretary can require that payments be made in local currencies and be used to support a variety of market development, agricultural development, and research activities, and also to pay U.S. Government obligations.

Debt under previous title I credit sales may be forgiven by the President for specified reasons but Congress must appropriate funds to do so. New title I credit assistance may not be provided for a 2-year period to a country of which the debt is forgiven unless the President provides justification to Congress.

The 1990 Act declares that the policy of the United States is to assist developing countries that are or have been title II recipients of high-protein, blended, or fortified foods to combat hunger through providing food under title I as well as title II. The Secretary may waive, under set conditions, title I repayments in an amount not to exceed the value of that part of a product that is attributable to the costs of processing, enrichment, and fortification. The Secretary must minimize the effects of the sale of these products on the sale of whole grains.

Title II--Emergency and Private Assistance Programs

The title II program continues to provide grants of U.S. agricultural commodities to governments, private voluntary organizations (PVO's), cooperatives, and the World Food Program (WFP, an intergovernmental food aid agency), mainly for humanitarian and economic development purposes. The purposes of title II include addressing famine and other urgent relief requirements; combating malnutrition; alleviating causes of hunger, mortality, and morbidity; promoting sound environmental practices; and implementing feeding programs. Emergency assistance may be provided through governments, public and private agencies, and intergovernmental organizations. Nonemergency assistance may be provided through PVO's, cooperatives, and intergovernmental organizations. A new provision holds that upon request, AID may provide between \$10 million and \$13.5 million to PVO's and cooperatives to assist them in establishing new programs and meeting specific administrative and other costs. At least 10 percent of the commodities provided for title II nonemergency assistance may be sold, and the local currency generated by the sale may be used for specified, expanded purposes. Title II commodities must be labeled as being furnished by the people of the United States of America.

The minimum tonnage of agricultural commodities to be made available under title II is increased by 25,000 metric tons per year over the next 5 years. The minimum amounts are:

1.925 million metric tons (mmt) in FY 1991,
1.950 mmt in FY 1992,
1.975 mmt in FY 1993,
2.000 mmt in FY 1994, and
2.025 mmt in FY 1995.

About 75 percent of these amounts are to be made available for nonemergency assistance. Both the total and nonemergency minimum levels may be waived by AID under certain circumstances, although reports must be submitted to the House and Senate agriculture committees containing the reasons for the waiver. AID must ensure that at least 75 percent of the nonemergency minimum be processed, fortified, or bagged commodities, although this is subject to waiver.

Other title II provisions of the 1990 Act create a Food Aid Consultative Group to review and address issues concerning the effectiveness of regulations and procedures that govern food aid programs established and implemented under this title and the implementation of related provisions. The group, composed of specified representatives, shall meet regularly with the AID Administrator as chair.

Administrative procedures for handling food aid requests from PVO's, cooperatives, and AID field missions are specified. These deal with deadlines for accepting or rejecting a request, providing reasons for denial, providing notice of final guidelines, development of regulations, deadlines for submission of commodity orders to the Commodity Credit Corporation (CCC), and other administrative matters.

Title III--Food for Development

Under the previous Food for Development Program, or title III, a title I debt could have been forgiven if all the foreign currency generated from the title I commodity sale was used to finance specified development projects. The new program provides government-to-government grants of food assistance to least developed countries as defined in the 1990 Act. Priority is to be given to those countries that demonstrate the greatest food need, the capacity to use food aid effectively, and a commitment to policies to promote food security, and to those countries that have a long-term plan for broad-based, equitable, and sustainable development. Grants by the United States may be made either through the CCC or private trade channels. The commodities may be used by the recipient country for direct feeding programs and development of emergency food reserves, or may be sold in the country by the government. The proceeds of such sales may be held in a jointly programmed account, but must be used for economic development uses (including the purchase of locally produced agricultural commodities). To the extent practicable, at least 10 percent of the proceeds held in the jointly programmed account shall be used to support indigenous nongovernmental organizations and cooperatives for specified purposes. Other uses include support for certain educational institutions.

General Authorities and Requirements Under P.L. 480

Prior to the beginning of each fiscal year, the Secretary of Agriculture must determine the agricultural commodities and the quantity that will be available for food aid, taking into consideration U.S. productive capacity, domestic requirements, farm and consumer price levels, commercial exports, and adequate carryover. The level may be modified during the year given prior congressional notice. No commodity may be made available if providing it as aid would reduce the domestic supply below the amount needed to meet domestic requirements, adequate carryover, and anticipated commercial exports as determined by the Secretary. However, the Secretary may determine that some part of the domestic supply should be used to meet urgent humanitarian needs. Alcoholic beverages may not be provided under P.L. 480 and tobacco and related products may not be provided under specified programs.

For the purposes of this act, the term "agricultural commodity" includes any agricultural commodity or product produced in the United States including wood and processed wood products, fish, and livestock as well as value-added, fortified, or high-value agricultural products. Beginning October 1, 1991, title II commodities must contain only U.S. ingredients to the extent that they are commercially available in the United States at fair and reasonable prices.

For a recipient country to receive an agricultural commodity under P.L. 480, it must have adequate storage facilities to prevent spoilage or waste, and the distribution of the commodity cannot create

substantial disincentives to or interfere with local production or marketing. The United States will consult with other donors to ensure that U.S. food aid will not disrupt the recipient's economy. The United States must also require commitments from recipient countries that the U.S. food aid commodities will not be resold or transshipped to other countries. U.S. and foreign private trade channels, including small businesses, must be used to the maximum extent practicable. The P.L. 480 sales or donations should not unduly disrupt world prices or normal patterns of commercial trade. Recipient countries must publicize that U.S. food aid is being provided through the friendship of the American people as food for peace. Reasonable precautions are required to safeguard usual U.S. marketings and to avoid displacing any commercial U.S. sales. Military distribution of U.S. food aid is prohibited except in specified circumstances. Governments which engage in violations of human rights are ineligible for P.L. 480 agreements. Local currencies generated under P.L. 480 may not be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortion.

Other provisions relating to titles I and III agreements specify that such agreements describe how (1) the local revenues generated under these programs will be integrated into the overall development plans for the recipients, and (2) private sector participation will be encouraged. Agreements must include a statement that it will be subject to necessary U.S. appropriations and commodity availability. With specified exceptions, multiyear assistance may be provided; conditions under which such agreements may be terminated are given.

The deadline for signing titles I and III agreements is, to the extent practicable, November 30 of the fiscal year in which the commodities are to be shipped, or 60 days after the date of enactment of the annual Rural Development, Agriculture, and Related Agencies Appropriations Act for the first fiscal year in which agricultural commodities are to be shipped under the agreement, whichever is later.

Of the funds made available each year for titles I and III, 40 percent shall be made available for each, with the remaining 20 percent to be divided among them. The President may direct that no more than 15 percent of the funds available for any title be used for any other title. Expenditures for P.L. 480 are considered expenditures for international affairs and finance and not for agriculture and agricultural resources. CCC commodities provided under P.L. 480 are to be valued at a price not greater than the export market price at the time the commodity is made available.

The CCC must acquire and make available designated agricultural commodities and may pay specified expenses, such as the cost of acquiring the commodities; packaging, enriching, preserving, fortifying, processing, transporting, and handling the commodities; and ocean freight and other costs.

Administrative provisions relating to the purchase or transfer of commodities are specified. For the most part, title I provisions deal with open, competitive, and responsive bid procedures for commodities and ocean transportation, and with reporting of specified fees to the Secretary. Also, the Secretary or the CCC may serve as the purchasing and/or shipping agent for the importing country. Other provisions deal with fair and reasonable purchasing and shipping agent fees, prohibiting and limiting commissions, and avoiding conflict of interest.

Under titles II and III, AID must transfer and arrange for the transportation of agricultural commodities, and take other steps to make agricultural commodities available. Full and open competition is required when titles II and III commodities and ocean transportation are purchased on the open market.

Local currencies generated under P.L. 480 may not be used to assist in producing competing commodities for export if the President determines that substantial injury to U.S. producers would result. However, the President may provide assistance for economic development of specific countries that are major illicit drug-producing countries to reduce their dependence on drug production.

P.L. 480 expires December 31, 1995. Regulations pertaining to it must be issued within 180 days after the 1990 Act is enacted. Independent evaluations of titles I, II, and III programs are required as are annual reports on program activities and the progress of recipients toward food security. The effective date of the revised P.L. 480 legislation is January 1, 1991. It is the sense of Congress that U.S. food aid should be increased, and that other donors be encouraged to increase their food aid as well.

The Farmer-to-Farmer Program, a research and technology transfer program, is continued and funding increased to at least 0.2 percent of P.L. 480 funds (up from the 0.1 percent specified in the Food Security Act of 1985). At least 0.1 percent is earmarked for developing countries, with the remainder for middle-income countries and emerging democracies.

Enterprise for the Americas Initiative

The 1990 Act establishes a new "Enterprise for the Americas Facility" in the Department of the Treasury. The initiative will encourage and support improving the lives of people of Latin America and the Caribbean through market-oriented reforms and economic growth with interrelated actions to promote debt reduction, investment reforms, and community-based conservation and sustainable use of the environment. The facility will support these objectives by administering debt-reduction operations relating to countries that meet investment reform and other policy conditions.

For eligible countries, the President may reduce title I debt outstanding as of January 1, 1990, depending on the amount appropriated. A new debt obligation may replace the previous debt owed to the CCC. Although repayment of principal on the reduced debt must be made in dollars, repayment of the interest may be made in local currencies if the country enters into an environmental framework agreement and establishes an "Enterprise for the Americas Environmental Fund." Local currencies paid as interest on the reduced debt into the fund may be used for environmental protection and other related activities. Establishment of a board and oversight responsibilities are specified. Provisions also call for the President to encourage other creditors to provide debt reduction. Annual reports are required on the operations of the facility.

Section 416(b) and Other Programs

Food aid is also authorized under section 416(b) of the Agricultural Act of 1949, as amended. The 1990 Act amends section 416(b) to allow provision of surplus CCC commodities to be used for the purposes of P.L. 480 titles II and III and the Food for Progress Program, with certain P.L. 480 restrictions and requirements also applying to section 416(b). Section 416(b) commodities had previously been authorized for use under P.L. 480 title II and also the Food for Progress Program (whereby U.S. food aid was used to help achieve agricultural policy reform).

Food for Progress

The 1990 Act amends the Food for Progress Program to allow the United States to enter into agreements with private voluntary organizations, nonprofit agricultural organizations, or cooperatives,

as well as developing countries and emerging democracies. The Food for Progress Program may be used to enhance the development of private sector agriculture in recipient countries. Also, in addition to any amounts or commodities otherwise made available, the CCC may provide at most \$10 million each year in fiscal years 1991-95 to help strengthen private sector agriculture in recipient countries.

Debt-for-Health-and-Protection Swap

The 1990 Act authorizes a debt-for-health-and-protection swap under which part of the foreign debt a country owes may be canceled in exchange for cooperation in areas of mutual benefit in supporting and promoting the prevention or control of plant and animal pests and diseases in the Western Hemisphere.

Cargo Preference

Cargo preference requirements are changed and may influence the amount of U.S.-flag vessel service to Great Lakes ports. Previous law held that 75 percent of U.S. Government-sponsored exports be shipped on U.S.-flag vessels. The 1990 Act mandates that 50 percent of the bagged, processed, or fortified commodities furnished under P.L. 480 title II be shipped on a lowest landed cost basis, regardless of the country of registration of the vessels, without detriment to any port range. New provisions allow shipments on vessels specifically designated as American Great Lakes vessels to be counted toward cargo preference requirements. At most, Great Lakes ports may be allocated the same share of title II bagged, processed, or fortified shipments that they experienced in 1984. Further, if shipments allocated to Great Lakes ports must be shifted to non-Great Lakes ports to meet cargo preference requirements, the CCC must take steps to offset the loss to Great Lakes ports. The Secretary of Transportation is required to undertake a study of the shipping provisions.

Export Promotion

Export promotion provisions of the 1990 Act continue, and in some cases expand, the range of commercial export activities that assist U.S. agricultural exports, such as export credit guarantees, export market promotion, and export bonuses. Management requirements are tightened and other mandates are specified, and producer protection from the effects of embargoes is reiterated. Authorities granted are in addition to any other authority granted to the Secretary or the CCC.

Export promotion provisions amend the Agricultural Trade Act of 1978 to increase farming profitability and opportunities for U.S. farms and agricultural enterprises. This is accomplished by increasing USDA's effectiveness in formulating and implementing U.S. export policies, improving the competitiveness of U.S. agricultural commodities and products, and coordinating and efficiently implementing all agricultural export programs. A U.S. agricultural commodity is redefined for the export promotion programs, allowing the Secretary to designate an agricultural product that is not composed entirely of U.S. ingredients as a U.S. product under certain circumstances.

The Secretary must develop a long-term agricultural trade strategy every 3 years to be used as a guide in implementing Federal programs designed to promote U.S. agricultural exports. Goals of the strategy are to (1) ensure U.S. agricultural export growth, (2) efficiently use Federal programs designed to promote agricultural exports, (3) provide food aid and improve commercial potential of U.S. agricultural exports in developing countries, and (4) maintain traditional U.S. markets. The trade strategy includes developing a list of priority markets and plans to assist exports to them. Provisions for review and confidentiality of the strategy, and an annual report on the strategy are specified.

Export Credit Programs

The 1990 Act reauthorizes the Direct Credit Sales Program and the Export Credit Guarantee Program and establishes new provisions directed at emerging democracies. The Short-Term Direct Credit Sales Program allows the CCC to offer direct financing of up to 3 years for export sales while the Intermediate-Term Direct Credit Sales Program authorizes credit terms of 3-10 years. The program may be used to increase agricultural exports, compete in world markets, and assist developing countries in particular to meet their food and fiber needs. The CCC determines the funding for this program.

The 1990 Act continues the Short-Term Export Credit Guarantee Program (GSM-102) and the Intermediate-Term Export Credit Guarantee Program (GSM-103). The GSM-102 program guarantees repayment of credit of up to 3 years to finance export sales of privately owned stocks. The new law sets an upper limit on the origination fee of 1 percent of the amount of credit extended under the transaction. The GSM-103 program guarantees repayment of loans of between 3 and 10 years that will directly benefit U.S. agricultural producers. Minimum funding levels for these two programs are \$5 billion and \$500 million per year, respectively. Credit guarantees do not cover financing for the foreign content of an exported product under the programs. Furthermore, the act stipulates that credit guarantees under the GSM-103 program cannot be made available to finance an export sale unless the sale will develop, expand, or maintain the importing country as a foreign market, on a long-term basis, without displacing normal commercial sales; improve the capability of the importing country to purchase and use U.S. commodities on a long-term basis; or, otherwise promote the export of U.S. commodities. Conditions which would make a financial institution ineligible under the credit guarantee programs are stated. Guarantees for fish and processed fish products are to be made available under the same terms and conditions as other agricultural commodities.

The 1990 Act prohibits the direct credit sales and credit guarantee programs from being used for foreign aid, foreign policy, or debt rescheduling purposes and prohibits making guarantees available to countries that cannot adequately service the associated debt. Cargo preference laws are not applicable to the direct sales or credit guarantee programs. Direct export credits and export credit guarantees may be combined to reduce the effective interest rate on export sales.

The 1990 Act adds provisions and a new program aimed at emerging democracies. The use of credit guarantees to promote agricultural exports to emerging democracies is authorized. At least \$1 billion for fiscal years 1991-95 is to be made available to emerging democracies under the export credit guarantee programs, in addition to the amounts authorized for those programs. A portion of these targeted guarantees are to be used to establish or improve handling, marketing, processing, storage, or distribution facilities in emerging democracies in order to promote U.S. agricultural exports. However, credits for which repayment is guaranteed cannot negatively affect the country's political and economic situation by excessively adding to their foreign debt burdens.

The 1990 Act establishes a new program for fiscal years 1991-95 to boost U.S. agricultural exports by making U.S. expertise available for the purpose of assessing food and rural business system needs, and to recommend means and opportunities to enhance the effectiveness of those systems. Funding for this program cannot exceed \$5 million in each fiscal year.

Market Promotion Program

The 1990 Act authorizes the CCC to establish and carry out the Market Promotion Program (MPP) to help develop, maintain, and expand markets for agricultural products. The CCC will share promotion costs with eligible trade organizations that implement a foreign market development program. Either

CCC funds or commodities may be used to fund the MPP. The 1990 Act establishes an annual funding level for the MPP of at least \$200 million from fiscal years 1991-95.

The MPP replaces the Targeted Export Assistance (TEA) Program authorized under the Food Security Act of 1985. The main goal of the MPP, market development, is broader than the goal of the TEA program, to counter or offset the adverse effect on exports of U.S. agricultural commodities of unfair foreign trade practices. Many of the provisions governing the operations of the MPP are similar to the guidelines for the TEA Program.

In order to qualify for the MPP, eligible trade organizations must submit marketing plans to the Secretary that meet the established guidelines. Priority for MPP assistance will be given in the case of an unfair trade practice.

Eligible trade organizations include nonprofit U.S. agricultural trade organizations and regional associations of State departments of agriculture, producer cooperatives and State agencies that promote the sale of agricultural commodities, and, in special cases, private companies that promote the export of agricultural commodities.

Trade organizations can apply for MPP assistance for promotions to be conducted over a single year or for several years. Multiyear promotions will be reviewed annually by the Secretary for compliance with the approved marketing plans.

The Secretary may terminate assistance to a trade organization under the MPP if the participant is not following the program guidelines, implementing the proposed promotion activities, adequately meeting the established goals of the program, or contributing enough of its own resources to the program. The Secretary also may discontinue MPP funding to a participating trade organization if the "unfair trade practice" which justified the assistance is terminated, and MPP assistance is no longer required to offset its effects. Finally, funding to a trade organization may be discontinued if the Secretary determines that terminating the assistance is in the best interest of the program.

The Secretary must also evaluate the impact of the MPP. The Secretary is to review thoroughly the expenditures of all recipients of MPP assistance and the effectiveness of the MPP in developing or maintaining export markets. The Secretary also is required to evaluate whether MPP assistance is necessary to maintain exports to overseas markets. The Secretary will make an initial evaluation of recipient expenditures 15 months after the funds are allocated to program participants.

The costs of MPP promotions are to be shared by the USDA and the trade organizations. The Secretary must justify in writing the level of Federal assistance allocated to each MPP participant, and the trade organization's contribution to MPP promotion costs.

The 1990 Act cites branded promotions as a special category under the MPP, and permits the use of branded advertising to promote the sale of agricultural commodities in export markets under terms to be established by the Secretary. MPP assistance for branded promotions is limited to 50 percent of promotion costs. However, promoters of a commodity which has received a favorable decision by the U.S. Trade Representative (USTR) in a section 301 case may contribute less than 50 percent of branded promotion costs subject to the determination of the Secretary. Private firms currently conducting branded promotions under the TEA Program, with more than 50 percent of the promotion costs paid by the USDA, may face reduced USDA contributions. USDA's share of branded promotion costs of these firms will be decreased in equal shares over a 5-year period.

Barter

Barter authorities are also provided, whereby CCC commodities may be used in exchange for foreign products. Eligible CCC commodities may be provided to exporters to assist them in their barter transactions. Reasonable precautions must be taken to prevent the misuse of eligible commodities in a barter program.

Response to Unfair Trade Practices--The Export Enhancement Program

The 1990 Act continues the Export Enhancement Program (EEP) authorized under the Food Security Act of 1985. In addition, the 1990 Act authorizes the use of other commercial agricultural export programs to counter the effects of unfair trade practices. The 1990 Act provides that the CCC must make available a minimum of \$500 million in CCC commodities or cash each fiscal year to carry out the EEP. A primary objective of the program is to discourage unfair trade practices by using export bonuses to make U.S. agricultural commodities competitive in world markets.

As defined by the trade title, an unfair trade practice is "any act, policy, or practice of a foreign country that violates or is inconsistent with, or otherwise denies benefits to the United States under any trade agreement to which the United States is a party, or is unjustifiable, unreasonable, or discriminatory and burdens or restricts U.S. commerce." The trade title reinforces this definition of an unfair trade practice by requiring that it be consistent with section 301 of the Trade Act of 1974.

The 1990 Act requires the CCC to maintain an established procedure for evaluating program bonus requests, use a clear set of established procedures for measuring transportation and incidental costs included in the bonus calculations, and maintain consistent and effective controls for auditing and reviewing bonus payments. The Secretary may withhold from the public the procedures established to evaluate program bonus requests and to calculate export bonuses if the release of this information would be damaging to the operation of the program.

The 1990 Act continues to require treating domestic and foreign producers equally if U.S. imports of manufactured products made with program commodities would place domestic users at a commercial disadvantage. The CCC may provide bonus awards in commodities other than those exported with program assistance. Price restrictions generally applying to the sales of CCC commodities will not apply to commodities provided as export bonuses.

When promoting the export of wheat under the export bonus program, the Secretary is required to make reasonable efforts to avoid favoring one class of wheat over another. In approving bonus program proposals for dairy cattle and other livestock, the CCC is also to give priority to livestock sale proposals which include technical assistance which would be necessary for adapting the livestock to the foreign environment.

The 1990 Act specifies that the Secretary must avoid using the export bonus program to displace commercial sales. While export bonuses should be used to counter unfair trade practices, the program is not to adversely affect the exports of "fairly-traded" commodities.

The Secretary must establish an objective of annually spending 25 percent of funds or the value of commodities available under an export bonus program for the promotion of high-value and value-added products. Finally, the 1990 Act permits the use of export bonuses in conjunction with other export programs such as commercial credit guarantees.

The 1990 Act authorizes the Secretary to use all available commercial export programs to help offset the effects of an unfair trade practice if the country which employs the unfair trade practice has blocked settlement of a dispute. For each commodity under dispute, the Secretary must consult with industry representatives to develop an integrated marketing strategy utilizing some or all of the commercial export programs to help mitigate or offset the adverse effects of the trade practice which is the subject of the dispute.

Export Program Controls

The 1990 Act establishes controls for the operation of the export credit, export credit guarantee, and export bonus programs. Exporters will be required to maintain records verifying that commodities shipped under commercial export programs have arrived at their destination. The CCC is required to establish procedures to conduct annual audits of export program transactions to ensure that commodities shipped under commercial export programs have not been diverted.

The Secretary must issue regulations requiring all exporters participating in the programs to keep records of program transactions for 5 years and to make these records available to the Secretary upon request. The Secretary may also require exporters to keep records of nonprogram transactions for 5 years and to provide them on request to the extent that these transactions directly relate to program transactions which are under review. Transaction records will be considered confidential information.

If an exporter or other program participant engages in fraudulent program activities or violates program requirements, the CCC may hold the participant liable for losses to the CCC resulting from the fraud or violation, require a refund of program assistance, and collect liquidated damages from the participant. The CCC also may suspend or disbar program offenders.

The Secretary also must issue regulations defining the criteria used to evaluate and approve proposals for each commercial export program, establish a centralized system to permit the Foreign Agricultural Service (FAS) to provide the history and current status of program proposals, regularly audit program transactions for compliance with program objectives and requirements, and establish criteria to evaluate loans eligible for CCC loan guarantees to ensure that the CCC does not assume too much risk. The Secretary must issue regulations regarding each commercial export program no later than 180 days after the date of enactment of the 1990 Act.

Cottonseed and Sunflowerseed Oil Export Assistance

The Secretary is authorized to use \$50 million each year from funds made available under Section 32 of the Agricultural Adjustment Act of 1935 to encourage additional sales of cottonseed and sunflowerseed oil exports. The act emphasizes that appropriated funds for the program are to be utilized fully in years that the funds are made available and the domestic prices of the two types of oil are higher than world prices. The Secretary is required to limit program bonuses to the amounts needed to encourage sales and to ensure that both oils benefit equally from the program. A maximum of \$30 million was appropriated for 1991 from section 32 funds to encourage sales of cottonseed and sunflowerseed oil.

Miscellaneous Provisions

Some provisions restate previous law regarding producer protection in the event of an agricultural trade embargo. Specific provisions give the amount and timing of producer payments and require development of plans to alleviate the adverse effects of embargoes. The President cannot prohibit the

export of any agricultural commodity if the sale was made before the embargo was announced, or under other conditions.

The Secretary may provide technical assistance to the USTR on matters dealing with international trade negotiations. Consultations dealing with agricultural imports are required among USDA agencies and with the USTR. The Secretary may contract with individuals for services outside the United States to assist U.S. exports.

Individuals will be ineligible to participate in specified export programs with respect to the export of any agricultural commodity or product, including vegetable oil, that has been or will be used as the basis for a claim of a refund, as drawback, of any duty, tax, or fee imposed under Federal law on an imported commodity or product.

Further assistance for middle-income countries and emerging democracies is specified in an agricultural fellowship program to provide education for agricultural students from those countries. The purpose of the program is to help eligible countries to develop their agricultural systems and to improve U.S. agricultural trade linkages. Criteria for country and individual eligibility and funding levels are specified.

Economic assistance may be provided for the production, processing, and marketing of agricultural products to a country to reduce dependence on crops used for the production of illicit drugs.

The Secretary is mandated to develop appropriate methodology to determine the world price of livestock and livestock products and gather other information relevant to world price and to aid in the export of U.S. livestock and products.

A variety of reports is mandated. These reports include a study of a North American free-trade area, a rose and flower study, a commodity transportation and technology assessment, and a report on the suspension or termination of section 22 (import restrictions). Various reports on specific programs, some mentioned previously, are also required.

Title XVI—Research

Richard M. Kennedy

Title XVI amends the National Agricultural Research, Extension, and Teaching Policy Act of 1977 and other related acts, and authorizes certain new research and education programs. A new section expands the purposes of agricultural research and extension. Federally funded agricultural research and extension programs will continue to address human food and fiber needs by:

- Enhancing the long-term viability and competitiveness of the food production and agricultural system of the United States within the global economy.
- Expanding economic opportunities in rural America and enhancing the quality of life for farmers, rural citizens, and society as a whole.
- Improving the productivity of the American agricultural system and developing new agricultural crops and new uses for agricultural commodities.
- Developing information and systems to enhance the environment and the natural resource base upon which a sustainable agricultural economy depends.
- Enhancing human health by fostering the availability and affordability of a safe, wholesome, and nutritious food supply that meets the needs and preferences of the consumer.
- Assisting farmers and other rural residents in the detection and prevention of health and safety concerns.

Authorizations for and Extension or Repeal of Existing Programs

The 1990 Act extends the authorizations for programs administered by the Agricultural Research Service (ARS), the Cooperative State Research Service (CSRS), the Extension Service (ES), and other general research programs through 1995. Extended authorizations include those for animal health and disease research, certain agricultural research programs, agricultural research of State agricultural experiment stations; research and pilot project programs to develop supplemental and alternative crops; rangeland research and its advisory board; dairy goat research; and the Critical Agricultural Materials Act which directs the Secretary to carry out demonstration projects to promote the development or commercialization of critical crops.

Repealed programs include biomass energy research, solar energy research and development programs, and the special technology development research program. The 1990 Act also repeals the program related to developing technologies that could be used effectively by small- and medium-sized farming operations.

Joint Council on Food and Agricultural Sciences

The 1990 Act extends the Joint Council on Food and Agricultural Sciences with revisions until 1995. The Joint Council includes representatives from State cooperative institutions; USDA agencies with research, extension, and teaching responsibilities; public colleges and universities with demonstrable capacity in food and agriculture research, extension, and teaching; colleges and universities conducting food and agriculture research; private organizations or corporations; foundations funding

research in food and agricultural sciences; farmers; the Office of Science and Technology Policy; other Federal agencies; and the National Academy of Sciences.

New responsibilities of the Joint Council include providing an annual review and prioritization of requests for agriculturally related special research and construction grants, analyzing budgets and making budget recommendations for the agricultural research, extension, and teaching budgets of the various Department agencies, determining high-priority research subjects, and reviewing the effectiveness of the system concerning all federally supported agriculture research or extension projects. Existing reporting requirements are extended to cover agricultural research activities of other Federal agencies.

The National Agricultural Research and Extension Users Advisory Board

The Users Advisory Board (UAB) is continued through 1995 with altered structure and responsibilities. The Board must be composed of not less than 21 members representing:

- Producers from farm cooperatives, general farm organizations, and other groups from various geographic regions.
- Agricultural farm suppliers and food and fiber processors (one representative from each).
- Animal health interests.
- Transportation.
- Labor.
- Food marketing.
- Private nonprofit organizations involved in agricultural research.
- The private sector involved with developing countries.
- Nonresearch agencies of USDA.
- Rural development.
- Human nutrition.
- Nonprofit environmental protection organizations.
- Consumers through two representatives.

New UAB responsibilities include (1) providing recommendations to the Secretary, Federal agencies, and private organizations on the allocation of agricultural research funds; (2) identifying emerging issues and suggesting solutions to technology transfer problems; and (3) evaluating the results and effectiveness of agricultural research programs in meeting priorities established in this title. By July 1 of each year, the UAB will brief the Secretary and prepare an annual written report on their

recommendations, findings, and evaluations. The Secretary must also submit a report to House and Senate agriculture committees that describes the manner in which the UAB recommendations have been incorporated.

The UAB may establish technical panels to assist in defining research and technology transfer needs, delineating alternatives and recommending approaches to research and technology transfers, identifying centers of expertise, and making recommendations regarding the overall mix of available funding.

Agricultural Science and Technology Review Board

A new Agricultural Science and Technology Review Board is established through the Joint Council. The Board is required to provide technical interpretation and translation of current and emerging agricultural and environmental science issues for use by the Joint Council and UAB when setting priority activities. The Board also must provide technology assessment of current and emerging public and private agricultural research and technology transfer initiatives that would influence the well-being of urban and rural communities.

By December 31 of each year, the Board will write an annual report which will include recommendations on how research could advance the priorities established in this title as well as an assessment of activities conducted by the Secretary, agricultural research universities, and the private sector, to be submitted to Congress, the Secretary, and other interested Federal agencies.

The Board may assess the extent to which agricultural research and extension programs develop effective farming systems, genetics research, farm systems appropriate to climatological uncertainty, research to increase the demand for current farm products and to develop new farm crops and enterprises, research to enhance economic and societal well-being, research to develop rural economic development strategies, innovative extension and education programs, and broadened extension programs.

National Agricultural Library

The National Agricultural Library (NAL) is given a statutory base and is authorized to serve as the primary agricultural information resource. The NAL now may work with and receive funds from any State or other entity to carry out this authority. A charge for copying and reproducing library materials is authorized, along with other library services, at prices that cover costs or more.

Veterinary Medicine Facilities Grants

The 1990 Act permits the Secretary to set aside some grants to achieve full participation of minority groups in the Nation's veterinary schools. Grants are to be given to schools which have clinical training programs that emphasize care and preventive medical programs for food animals and companion animals and which support industries of major economic importance.

Grants and Fellowships for Food and Agricultural Sciences Education

The Secretary may make grants to land-grant colleges and universities, to colleges and universities that teach food and agricultural sciences or have the capacity to do so, and to colleges and universities that have a significant minority enrollment. The Secretary shall set aside funds for grants to students to pursue agricultural science careers. The Secretary must provide grants and technical assistance in support of continuing education special programs with colleges and universities and organizations in the private sector. The Secretary may set aside a portion of the funds to achieve full representation of minority groups in agriculture.

The Secretary must conduct programs to develop, analyze, and provide data and information essential to the evaluation of the quality of teaching programs. The Secretary must also conduct programs that design and implement innovative education programs. A new teaching awards program is established.

Research on Alcohol and Industrial Hydrocarbons

The 1990 Act extends the authorization of grants for research on the production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products. The Secretary may award grants to colleges, universities, and Federal laboratories to conduct research related to alcohol fuels, industrial oilseed crops, other forms of biomass fuels, and other industrial hydrocarbons made from agricultural commodities and forest products. Grants may also be awarded to develop the most economical and commercially feasible means of producing, collecting, and transporting agricultural crops, wastes, residues, and byproducts for the production of alcohol and other forms of biomass energy and for the development of new markets for byproducts. At least 50 percent of the amounts appropriated must be devoted to grants for research relating to increasing the energy efficiency and commercial feasibility of alcohol production.

Food Science and Nutrition Research Center

The Secretary may award a grant for the establishment of at least one food science nutrition research center for the Southeast region of the United States. This center must be part of a land-grant college that benefits from a dedicated non-Federal nutrition endowment of at least \$100 million.

Animal Health and Disease Research Authorizations

The Animal Health Science Research Advisory Board is extended until 1995 with its authority broadened to cover all animal health and disease programs under the Secretary's responsibility. The Board must advise the Secretary on the implementation of all animal health and disease research programs. A new member is added who must represent an organization concerned with the general protection and well-being of animals. The Secretary must commission the National Academy of Sciences, working through the Board on Agriculture of the National Research Council, to conduct a study of the system used to provide farmers and ranchers with animal care and veterinary medical services.

Grant Programs for 1890 Land-Grant Colleges, Including Tuskegee University

The Secretary must make grants to 1890 land-grant colleges, including Tuskegee University, to promote and strengthen higher education in the food and agricultural sciences. Grants are to be used to strengthen institutional educational capacities, attract and support undergraduate and graduate students, facilitate cooperative initiatives to maximize the development and use of resources, and conduct undergraduate scholarship programs to help meet national needs for training food and agricultural scientists. Eligible institutions must demonstrate the capacity to carry out the teaching of food and agricultural sciences. The Secretary may set aside a portion of the funds appropriated to make grants to eligible institutions to achieve full representation of minority groups that are underrepresented in the Nation's food and agricultural sciences work force.

Grants to 1890 institutions are authorized for the acquisition and improvement of facilities and equipment through the purchase of equipment and land; the planning, construction, alteration, or renovation of buildings; or, at the institutions' discretion, in support of research, extension, and resident instruction.

The Secretary is authorized to make competitive grants to five national research and training centennial centers located at 1890 colleges (or a consortia of such colleges), including Tuskegee University, that have been designated by the Secretary as national research and training centennial centers. These centers must have the best demonstrable capacity to provide administrative leadership for goat research and training, for agricultural engineering, for water quality in relation to agricultural production, for sustainable agriculture, and for domestic and international trade. The grants may be used to pay expenses for research; for printing and disseminating such research results; for planning, administering, and directing such research; and for altering or repairing buildings necessary to conduct such research. The Secretary must give priority to those centennial centers that will assure dissemination of information and that will attract students and needed professionals.

International Agricultural Science, Education, and Development and International Trade Development Centers

This provision allows the Secretary to (1) expand the operational coordination of USDA with institutions and other people throughout the world performing agricultural and related research and extension; (2) enter into cooperative agreements with departments and ministries of agriculture in other nations, land-grant universities, the Agency for International Development (AID), international organizations, and individuals and other organizations to promote a sustainable global agricultural system; and (3) assist colleges and universities in strengthening their research and extension capabilities which are relevant to agricultural development in other countries. These cooperative agreements could include developing a global system for plant genetic resources conservation; expanding collaboration with AID; and establishing an arid land research program to be coordinated through the International Arid Land Consortium.

The Secretary must determine the location and funding of international trade development centers and make grants on a competitive basis based on a national plan for agricultural export promotion through international trade development centers.

Aquacultural Assistance Program

The aquacultural research program is continued through 1995. Authority is expanded to make research grants to study the safety and wholesomeness of certain species and products, including the development of reliable supplies of seed stock and therapeutic compounds.

The number of authorized aquacultural research centers is increased from four to five. Two grants are authorized to continue to develop and expand research facilities at Illinois State University and Virginia Polytechnic Institute and to conduct basic and applied research for intensive water recirculating aquaculture systems.

The interagency aquaculture coordinating group is directed to compile a listing of Federal and State laws, rules, and regulations materially affecting the production, processing, marketing, and transportation of aquacultural commodities. The listings are to be made publicly available by January 1, 1992, and are to be updated by January 1, 1996.

The Secretary must implement a fish disease program that includes research on new diagnostic procedures, the effect of the water environment on fish immune systems, and the development of systems for control of fish diseases.

The Secretary must conduct a study, in consultation with the interagency aquaculture coordinating group, to assess the economic impact of animal damage to the U.S. aquacultural industry,

with a report of results to be submitted to the appropriate congressional committees by January 1, 1992.

National Competitive Research Initiative

Six high-priority research areas are established in which the Secretary may award competitive grants for up to 5 years which support basic and applied research focusing on both national and regional research needs (and methods to transfer such research to onfarm and inmarket practice). The high-priority research areas include plant systems; animal systems; nutrition, food quality, and health; natural resources and the environment; engineering, products, and processes including new uses and new products; and markets, trade, and policy. Grants also are authorized for improving research capabilities in the agricultural, food, and environmental sciences.

Special Research Grants

This provision amends existing legislation by broadening the eligibility for special grants not to exceed 5 years for research to expand promising breakthroughs in the food and agricultural sciences. Eligible institutions now include State agricultural experiment stations, all colleges and universities, other research institutions and organizations, Federal agencies, private organizations or corporations, and individuals. State agricultural experiment stations, land-grant colleges and universities, research foundations established by land-grant colleges and universities, certain other colleges and universities, and accredited schools or colleges of veterinary medicine are eligible for grants to support food and agricultural research programs that promote excellence in research on a regional and national level, promote the development of regional research centers, promote research partnerships in support of regional research efforts, and that help coordinate research among States through regional grants.

Conflicts of Interest Minimization Under the Smith-Lever Act

The Smith-Lever Act is amended to require the Secretary to ensure that each college or university seeking funds has in place appropriate guidelines to minimize actual or potential conflicts of interest among its employees whose salaries are funded in whole or in part with such funds.

Sustainable Agricultural Research and Education

This subtitle encourages research on agricultural production systems that maintain and enhance the quality and productivity of the soil and the quality of surface and ground water, protect the health and safety of persons involved in the food and farm system, promote the well-being of animals, and increase employment opportunities in agriculture.

"Sustainable agriculture" is defined as an integrated system of plant and animal production practices having a site-specific application that will, over the long term, satisfy human food and fiber needs; enhance environmental quality and the natural resource base upon which the agricultural economy depends; make the most efficient use of nonrenewable resources and onfarm resources and integrate, where appropriate, natural biological cycles and controls; sustain the economic viability of farm operations; and enhance the quality of life for farmers and society as a whole.