

**SUBPART C. FOREIGN SALES AND EXCHANGES**

**1. GENERAL AUTHORITY**

**a. Waiver of Commodity Credit Corporation Export Sales Restrictions**

**CONTINUING APPROPRIATIONS ACT, FY 1984**

[As Amended Through P.L. 110-246, Effective May 22, 2008]

SEC. 101.<sup>101-1</sup> (b)\* \* \* *Provided further*, That, hereafter, in order to restore and maintain United States share of world markets and to restore capital of the Corporation for its operations, any restrictions or limitations on the authorities and obligations of the Commodity Credit Corporation to sell in world markets, as provided by its Charter, may be waived or suspended by the Secretary of Agriculture; and \* \* \*.

**b. CCC Revolving Fund**

**PUBLIC DEBT LIMIT—BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985**

SEC. 256. (a) \* \* \*

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(j) **[2 U.S.C. 906(j)]** COMMODITY CREDIT CORPORATION.—

(1) POWERS AND AUTHORITIES OF THE COMMODITY CREDIT CORPORATION.—This title shall not restrict the Commodity Credit Corporation in the discharge of its authority and responsibility as a corporation to buy and sell commodities in world trade, to use the proceeds as a revolving fund to meet other obligations and otherwise operate as a corporation, the purpose for which it was created.

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**c. Joint Resolution of August 11, 1939**

[As Amended Through P.L. 107-171, Enacted May 13, 2002]

**[15 U.S.C. 713a-6]** That notwithstanding any other provision of law, the Commodity Credit Corporation, with the approval of the President, is authorized to sell surplus agricultural commodities, acquired by such Corporation through its loan operations, to foreign governments on the condition that, except for rotation to prevent deterioration, such commodities shall be held in reserve by such governments for a period of not less than five years from the date of acquisition, and shall not be disposed of unless a war or war emergency results in a serious interruption of normal supplies of such commodities: *Provided*, That under this joint resolution no concession below the prevailing world market price for the unrestricted use of such commodities, as determined by the Secretary of Agriculture, shall be granted, in consideration of the obligation assumed by such governments to hold such commodities in reserve as

<sup>101-1</sup> H.J. Res. 368, P.L. 98-107, 97 Stat. 735, Oct. 1, 1983.

required herein-before, in excess of a maximum amount equal to the average carrying charges, as estimated by the Secretary of Agriculture, that would be incurred if such commodities should be held for an additional eighteen months' period by the Commodity Credit Corporation. In determining specific cotton to be sold under this Act, the determination shall be made by sampling and selection at the place where the cotton is stored on the date of signing any sales agreement or contract under this Act, and no cotton shall be sold under any such sales agreement or contract which, after such date, is transported to any other place and there sampled and selected: *Provided further*, That in case of a sale settlement must be made within sixty days after delivery and not more than five hundred thousand bales of cotton shall be sold upon the terms and conditions provided in this joint resolution.

## 2. SALES OF DAIRY PRODUCTS

### AGRICULTURE AND FOOD ACT OF 1981

[As Amended Through P.L. 110-246, Effective May 22, 2008]

SEC. 106. [7 U.S.C. 1446c-1] The Secretary of Agriculture shall utilize, to the fullest extent practicable, the authorities under the Commodity Credit Corporation Charter Act (including exportation of dairy products at not less than prevailing world market prices), the Food for Peace Act (Public Law 480), and other authorities available to the Secretary to reduce inventories of dairy products held by the Commodity Credit Corporation so as to reduce net Commodity Credit Corporation expenditures to the estimated outlays for the milk price support program used in developing budget outlays under the Congressional Budget Act of 1974 for the appropriate fiscal year.

### FOOD SECURITY ACT OF 1985

[As Amended Through P.L. 110-246, Effective May 22, 2008]

SEC. 1163. [7 U.S.C. 1731 note; Public Law 99-198] (a) In each fiscal year, the Secretary of Agriculture may sell dairy products for export, at such prices as the Secretary determines appropriate, in a quantity and allocated as determined by the Secretary, consistent with the obligations undertaken by the United States set forth in the Uruguay Round Agreements, if the disposition of the commodities will not interfere with the usual marketings of the United States nor disrupt world prices of agricultural commodities and patterns of commercial trade.

(b) Such sales shall be made through the Commodity Credit Corporation under existing authority available to the Secretary or the Commodity Credit Corporation.

(c) Through September 30, 1995, the Secretary shall report semi-annually to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the volume of sales made under this section.

## 3. BARTER AND EXCHANGE

See also section 204 of the Agricultural Trade Act of 1978, Barter of Agricultural Commodities, printed in section 1 of part II of this compilation.

**a. Exchange for Critical and Strategic Materials****AGRICULTURAL ACT OF 1956**

[As Amended P.L. 110-246, Effective May 22, 2008]

SEC. 206. [7 U.S.C. 1856] (a) Strategic and other materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products, unless acquired for the national stockpile established pursuant to the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98-98h) or for other purposes shall be transferred to the supplemental stockpile established by section 104(b) of the Food for Peace Act (7 U.S.C. 1704); but no strategic or critical material shall be acquired by the Commodity Credit Corporation as a result of such barter or exchange, except for such national stockpile, for such supplemental stockpile, for foreign economic or military aid or assistance programs, or for offshore construction programs, or to meet requirements of government agencies.

(b)<sup>206-1</sup> \* \* \*

(c) In order to reimburse the Commodity Credit Corporation for materials transferred to the supplemental stockpile there are hereby authorized to be appropriated amounts equal to the value of any materials so transferred. The value of any such materials for the purpose of this subsection, shall be the lower of the domestic market price or the Commodity Credit Corporation's investment therein as of the date of such transfer, as determined by the Secretary of Agriculture.

**ACT OF AUGUST 11, 1939**

[As Amended Through P.L. 110-246, Effective May 22, 2008]

To facilitate the execution of arrangements for the exchange of surplus agricultural commodities produced in the United States for reserve stocks of strategic and critical materials produced abroad.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [15 U.S.C. 713a-7]* That, notwithstanding any other provision of law, whenever the President, by and with the advice and consent of the Senate, has concluded a treaty involving the exchange of surplus agricultural commodities produced in the United States which are held under loans made or made available by the Commodity Credit Corporation for stocks of strategic and critical materials produced abroad, the Commodity Credit Corporation is authorized, upon terms and conditions prescribed by the Secretary of Agriculture, to accept such strategic and critical materials in exchange for such surplus agricultural commodities; and for the purpose of such exchange the Secretary of War,<sup>1-1</sup> the Secretary of the Navy, and the Secretary of

<sup>206-1</sup> Subsection (b) which provided that strategic materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products may be entered or withdrawn from warehouse free of duty, was repealed by the Act of May 24, 1962, P.L. 87-456, 76 Stat. 78.

<sup>1-1</sup> The Department of War was designated the Department of the Army and the title of the Secretary of War was changed to Secretary of the Army by section 205(a) of the Act of July 26, 1947, P.L. 80-253, 61 Stat. 501. Section 205(a) of the Act of July 26, 1947, was repealed by section 53 of the Act of August 10, 1956, P.L. 84-1028, 70A Stat. 641. Section 1 of the Act of August 10, 1956, enacted "Title 10, Armed Forces" which in sections

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the Interior acting jointly through the agency of the Army and Navy Munitions Board<sup>1-2</sup> shall determine which materials are strategic and critical and the quantity and quality of such materials. In order to carry out the provisions of this Act, the Commodity Credit Corporation is authorized, upon terms and conditions prescribed by the Secretary of Agriculture, to procure, convey, transport, handle, store, maintain, or rotate such surplus agricultural commodities, and such reserve stocks of strategic and critical materials, as may be necessary to accomplish the purposes of this Act.

The Commodity Credit Corporation is authorized and directed to transfer to warehouses in or near cotton manufacturing centers in New England not to exceed three hundred thousand bales of cotton, to which it now has title or may hereafter acquire title, having regard for the grades and staples customarily required by manufacturers in that area: *Provided*, That all necessary costs in connection with such transfer will not result in additional net cost to the Corporation.

In determining specific cotton to be exchanged under this Act, the determination shall be made by sampling and selection at the place where the cotton is stored on the date of ratification of a treaty providing for such exchange, and no cotton shall be exchanged under such treaty which, after such date, is transported to another place and there sampled and selected. Such reserve stocks of strategic and critical materials shall be stored on military or naval reservations or in other locations approved by the Secretary of War and the Secretary of the Navy. The Commodity Credit Corporation is authorized to transfer such reserve stocks of strategic and critical materials, upon such terms and conditions as the Secretary of Agriculture shall approve, to any other governmental agency. Such reserve stocks or strategic and critical materials shall be made available or disposed of by the Commodity Credit Corporation or other governmental agency only upon order of the President in accordance with the terms of the applicable treaty; when necessary to prevent deterioration, the Commodity Credit Corporation or other governmental agency is authorized to replace those quantities of the reserve stocks of such strategic and critical materials subject to deterioration with equivalent quantities of the same materials. The funds now or hereafter made available to the Commodity Credit Corporation are hereby made available to carry out the purposes of this Act. There is hereby authorized to be appropriated such additional sums as may be required to carry out the provisions of this Act. All funds for carrying out the provisions of this Act shall be available for allotment to bureaus and offices of the Department of Agriculture, and for transfer to such other agencies of the Federal Government as the Secretary of Agriculture may request to cooperate or assist in carrying out the provisions of this Act.

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3011-3013 continued the military Department of the Army under the administrative supervision of a Secretary of the Army.

<sup>1-2</sup>The Army and Navy Munitions Board ceased to exist when the Chairman of the Board of Munitions took office and the records and personnel of the Army and Navy Munitions Board were transferred to the Munitions Board by the Act of July 26, 1947, section 213, P.L. 80-253, 61 Stat. 505. The Munitions Board was abolished by section 2 of 1953 Reorg. Plan No. 6, 18 F.R. 3743, 67 Stat. 638, and all functions of the Munitions Board were transferred to the Secretary of Defense by section 1 of 1953 Reorg. Plan No. 6.

**b. Barter for Petroleum and Petroleum Products****EXPORT ADMINISTRATION AMENDMENTS ACT OF 1985**

[As Amended Through P.L. 110-246, Effective May 22, 2008]

**SEC. 203. [15 U.S.C. 4053] BARTER ARRANGEMENTS.**

(a) **REPORT ON STATUS OF FEDERAL BARTER PROGRAMS.**—The Secretary of Agriculture and the Secretary of Energy shall, not later than 90 days after the date of the enactment of this Act, submit to the Congress a report on the status of Federal programs relating to the barter or exchange of commodities owned by the Commodity Credit Corporation for materials and products produced in foreign countries. Such report shall include details of any changes necessary in existing law to allow the Department of Agriculture and, in the case of petroleum resources, the Department of Energy, to implement fully any barter program.

(b) **AUTHORITIES OF THE PRESIDENT.**—The President is authorized—

(1) to barter stocks of agricultural commodities acquired by the Government for petroleum and petroleum products, and for other materials vital to the national interest, which are produced abroad, in situations in which sales would otherwise not occur; and

(2) to purchase petroleum and petroleum products, and other materials vital to the national interest, which are produced abroad and acquired by persons in the United States through barter for agricultural commodities produced in and exported from the United States through normal commercial trade channels.

(c) **OTHER PROVISIONS OF LAW NOT AFFECTED.**—In the case of any petroleum, petroleum products, or other materials vital to the national interest, which are acquired under subsection (b), nothing in this section shall be construed to render inapplicable the provisions of any law then in effect which apply to the storage, distribution, or use of such petroleum, petroleum products, or other materials vital to the national interest.

(d) **CONVENTIONAL MARKETS NOT TO BE DISPLACED BY BARTERS.**—The President shall take steps to ensure that, in making any barter described in subsection (a) or (b)(1) or any purchase authorized by subsection (b)(2), existing export markets for agricultural commodities operating on conventional business terms are safeguarded from displacement by the barter described in subsection (a), (b)(1), or (b)(2), as the case may be. In addition, the President shall ensure that any such barter is consistent with the international obligations of the United States, including the General Agreement on Tariffs and Trade.

(e) **REPORT TO THE CONGRESS.**—The Secretary of Energy shall report to the Congress on the effect on energy security and on domestic energy supplies of any action taken under this section which results in the acquisition by the Government of petroleum or petroleum products. Such report shall be submitted to the Congress not later than 90 days after such acquisition.

**c. Strategic Petroleum Reserve**

**JOINT RESOLUTION OF DECEMBER 19, 1985**

[As Amended Through P.L. 110-246, Effective May 22, 2008]

SPR PETROLEUM ACCOUNT

**[42 U.S.C. 6240 note; Public Law 99-190]** Notwithstanding any other provision of law, the Secretary of Agriculture, at the request of the Secretary of Energy, may exchange agricultural products owned by the Commodity Credit Corporation for crude oil to be delivered to the Strategic Petroleum Reserve: *Provided*, That the Secretary of Energy shall approve the quantity, quality, delivery method, scheduling, market value and other aspects of the exchange of such agricultural products: *Provided further*, That if the volume of agricultural products to be exchanged has a value in excess of the market value of the crude oil acquired by such exchange, then the Secretary of Agriculture shall require as part of the terms and conditions of the exchange that the party or entity providing such crude oil shall agree to purchase, within six months following the exchange, current crop commodities or value-added food products from United States producers or processors in an amount equal to at least one-half the difference between the value of the commodities received in exchange and the market value of the crude oil acquired for the Strategic Petroleum Reserve.

## SUBPART D. SECTION 32 AND RELATED STATUTES

### 1. SECTION 32 OF PUBLIC LAW 320, 74th CONGRESS

[As Amended Through P.L. 107-171, Enacted May 13, 2002]

SEC. 32.<sup>32-1</sup> [7 U.S.C. 612c]

### 2. APPROPRIATION TO SUPPLEMENT SECTION 32 FUNDS

#### AGRICULTURAL ACT OF 1956

[As Amended Through P.L. 110-246, Effective May 22, 2008]

SEC. 205. [7 U.S.C. 1855] There is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1957, the sum of \$500,000,000 to enable the Secretary of Agriculture to further carry out the provisions of section 32, Public Law 320, Seventy-fourth Congress, as amended (7 U.S.C. 612c), subject to all provisions of law relating to the expenditure of funds appropriated by such section, except that up to 50 per centum of such \$500,000,000 may be devoted during any fiscal year to any one agricultural commodity or the products thereof.

### 3. LIMITATION OF ADMINISTRATIVE EXPENSES

#### AGRICULTURAL ADJUSTMENT ACT OF 1938

SEC. 392. (b)<sup>392-1</sup> [7 U.S.C. 1392(b)]

### 4. PROHIBITION ON PURCHASE OF FOREIGN PRODUCED FISHERY PRODUCTS

#### ACT OF AUGUST 11, 1939

[As Amended Through P.L. 110-246, Effective May 22, 2008]

To authorize the Federal Surplus Commodities Corporation to purchase and distribute surplus products of the fishing industry

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [15 U.S.C. 713c-2]* That any part of the funds not to exceed \$1,500,000 per year, transferred by the Secretary of Agriculture to the Federal Surplus Commodities Corporation<sup>1-1</sup> created under and to carry out the provisions of section 32 of the Act of August 24, 1935 (49 Stat. 774), as amended, may also be used by such Corporation for the purpose of diverting surplus fishery products (including fish, shellfish, mollusks, and crustacea) from the normal channels of trade and commerce by acquiring them and providing for their distribution through Federal, State, and private relief channels: *Provided*, That none of the funds made available to the Federal Surplus Commod-

<sup>32-1</sup> See Sec. 32 of P.L. 320, 74th Congress, in Agricultural Commodity Laws Vol.

<sup>392-1</sup> See Sec. 392(b) of the Agricultural Adjustment Act of 1938 in Agricultural Commodity Laws Vol.

<sup>1-1</sup> The functions of the Federal Surplus Commodities Corporation have been transferred to the Secretary of Agriculture (15 U.S.C. 713c note, 713c-2 note.) and the Corporation has been dissolved.

ities Corporation<sup>1-1</sup> under this Act shall be used to purchase any of the commodities designated in this Act which may have been produced in any foreign country. The provisions of law relating to the acquisition of materials or supplies for the United States shall not apply to the acquisition of commodities under this Act.

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