

# The National Agricultural Law Center



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## Agricultural Act of 1949

**Pub. L. No. 81-439, 63 Stat. 1051**

(Originally cited as ch. 792, 63 Stat. 1051)

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[CHAPTER 792]

AN ACT

To stabilize prices of agricultural commodities.

October 31, 1949  
[H. R. 5345]  
[Public Law 439]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Act of 1949".*

Agricultural Act of 1949.

TITLE I—BASIC AGRICULTURAL COMMODITIES

SEC. 101. The Secretary of Agriculture (hereinafter called the "Secretary") is authorized and directed to make available through loans, purchases, or other operations, price support to cooperators for any crop of any basic agricultural commodity, if producers have not disapproved marketing quotas for such crop, at a level not in excess of 90 per centum of the parity price of the commodity nor less than the level provided in subsections (a), (b), and (c) as follows:

Price support to co-operators.

	The level of support shall be not less than the following percentage of the parity price:
(a) For tobacco (except as otherwise provided herein), corn, wheat, and rice, if the supply percentage as of the beginning of the marketing year is:	
Not more than 102.....	90
More than 102 but not more than 104.....	89
More than 104 but not more than 106.....	88
More than 106 but not more than 108.....	87
More than 108 but not more than 110.....	86
More than 110 but not more than 112.....	85
More than 112 but not more than 114.....	84
More than 114 but not more than 116.....	83
More than 116 but not more than 118.....	82
More than 118 but not more than 120.....	81
More than 120 but not more than 122.....	80
More than 122 but not more than 124.....	79
More than 124 but not more than 126.....	78
More than 126 but not more than 128.....	77
More than 128 but not more than 130.....	76
More than 130.....	75

	The level of support shall be not less than the following percentage of the parity price:
(b) For cotton and peanuts, if the supply percentage as of the beginning of the marketing year is:	
Not more than 108.....	90
More than 108 but not more than 110.....	89
More than 110 but not more than 112.....	88

(b) For cotton and peanuts, if the supply percentage as of the beginning of the marketing year is:	The level of support shall be not less than the following percentage of the parity price:
More than 112 but not more than 114.....	87
More than 114 but not more than 116.....	86
More than 116 but not more than 118.....	85
More than 118 but not more than 120.....	84
More than 120 but not more than 122.....	83
More than 122 but not more than 124.....	82
More than 124 but not more than 125.....	81
More than 125 but not more than 126.....	80
More than 126 but not more than 127.....	79
More than 127 but not more than 128.....	78
More than 128 but not more than 129.....	77
More than 129 but not more than 130.....	76
More than 130.....	75

Tobacco.

(c) For tobacco, if marketing quotas are in effect, the level of support shall be 90 per centum of the parity price.

(d) Notwithstanding the foregoing provisions of this section—

(1) if producers have not disapproved marketing quotas for such crop, the level of support to cooperators shall be 90 per centum of the parity price for the 1950 crop of any basic agricultural commodity for which marketing quotas or acreage allotments are in effect;

(2) if producers have not disapproved marketing quotas for such crop, the level of support to cooperators shall be not less than 80 per centum of the parity price for the 1951 crop of any basic agricultural commodity for which marketing quotas or acreage allotments are in effect;

(3) the level of price support to cooperators for any crop of a basic agricultural commodity, except tobacco, for which marketing quotas have been disapproved by producers shall be 50 per centum of the parity price of such commodity; and no price support shall be made available for any crop of tobacco for which marketing quotas have been disapproved by producers;

Corn.

(4) the level of price support for corn to cooperators outside the commercial corn-producing area shall be 75 per centum of the level of price support to cooperators in the commercial corn-producing area;

(5) price support may be made available to noncooperators at such levels, not in excess of the level of price support to cooperators, as the Secretary determines will facilitate the effective operation of the program.

7 U. S. C. § 1312 note.

(e) Notwithstanding any of the provisions of this Act, section 2 of the Act of July 28, 1945 (59 Stat. 506) shall continue in effect.

## TITLE II—DESIGNATED NONBASIC AGRICULTURAL COMMODITIES

Post, p. 1053.

SEC. 201. The Secretary is authorized and directed to make available (without regard to the provisions of title III) price support to producers for wool (including mohair), tung nuts, honey, Irish potatoes, milk, butterfat, and the products of milk and butterfat as follows:

Wool.

(a) The price of wool (including mohair) shall be supported through loans, purchases, or other operations at such level, not in excess of 90 per centum nor less than 60 per centum of the parity price therefor, as the Secretary determines necessary in order to encourage

an annual production of approximately three hundred sixty million pounds of shorn wool;

(b) The price of tung nuts, honey, and early, intermediate, and late Irish potatoes, respectively, shall be supported through loans, purchases, or other operations at a level not in excess of 90 per centum nor less than 60 per centum of the parity price therefor;

Tung nuts, honey,  
and Irish potatoes.

(c) The price of whole milk, butterfat, and the products of such commodities, respectively, shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through loans on, or purchases of, the products of milk and butterfat.

Whole milk, butter-  
fat, etc.

### TITLE III—OTHER NONBASIC AGRICULTURAL COMMODITIES

SEC. 301. The Secretary is authorized to make available through loans, purchases, or other operations price support to producers for any nonbasic agricultural commodity not designated in title II at a level not in excess of 90 per centum of the parity price for the commodity.

*Ante*, p. 1052.

SEC. 302. Without restricting price support to those commodities for which a marketing quota or marketing agreement or order program is in effect, price support shall, insofar as feasible, be made available to producers of any storable nonbasic agricultural commodity for which such a program is in effect and who are complying with such program. The level of such support shall not be in excess of 90 per centum of the parity price of such commodity nor less than the level provided in the following table:

Price support levels.

If the supply percentage as of the beginning of the marketing year is:	The level of support shall be not less than the following percentage of the parity price:
Not more than 102.....	90
More than 102 but not more than 104.....	89
More than 104 but not more than 106.....	88
More than 106 but not more than 108.....	87
More than 108 but not more than 110.....	86
More than 110 but not more than 112.....	85
More than 112 but not more than 114.....	84
More than 114 but not more than 116.....	83
More than 116 but not more than 118.....	82
More than 118 but not more than 120.....	81
More than 120 but not more than 122.....	80
More than 122 but not more than 124.....	79
More than 124 but not more than 126.....	78
More than 126 but not more than 128.....	77
More than 128 but not more than 130.....	76
More than 130.....	75

*Provided*, That the level of price support may be less than the minimum level provided in the foregoing table if the Secretary, after examination of the availability of funds for mandatory price support programs and consideration of the other factors specified in section 401 (b), determines that such lower level is desirable and proper.

Less than minimum  
level.

SEC. 303. In determining the level of price support for any nonbasic agricultural commodity under this title, particular consideration shall be given to the levels at which the prices of competing agricultural commodities are being supported.

*Post*, p. 1054.  
Determination of  
level.

## TITLE IV—MISCELLANEOUS

SEC. 401. (a) The Secretary shall provide the price support authorized or required herein through the Commodity Credit Corporation and other means available to him.

Determining factors  
in price support.

(b) Except as otherwise provided in this Act, the amounts, terms, and conditions of price support operations and the extent to which such operations are carried out, shall be determined or approved by the Secretary. The following factors shall be taken into consideration in determining, in the case of any commodity for which price support is discretionary, whether a price-support operation shall be undertaken and the level of such support and, in the case of any commodity for which price support is mandatory, the level of support in excess of the minimum level prescribed for such commodity: (1) the supply of the commodity in relation to the demand therefor, (2) the price levels at which other commodities are being supported and, in the case of feed grains, the feed values of such grains in relation to corn, (3) the availability of funds, (4) the perishability of the commodity, (5) the importance of the commodity to agriculture and the national economy, (6) the ability to dispose of stocks acquired through a price-support operation, (7) the need for offsetting temporary losses of export markets, and (8) the ability and willingness of producers to keep supplies in line with demand.

Compliance by  
producers.

(c) Compliance by the producer with acreage allotments, production goals and marketing practices (including marketing quotas when authorized by law), prescribed by the Secretary, may be required as a condition of eligibility for price support.

Determination of  
price support level.

(d) The level of price support for any commodity shall be determined upon the basis of its parity price as of the beginning of the marketing year or season in the case of any commodity marketed on a marketing year or season basis and as of January 1 in the case of any other commodity.

Price support at  
increased levels.

SEC. 402. Notwithstanding any other provision of this Act, price support at a level in excess of the maximum level of price support otherwise prescribed in this Act may be made available for any agricultural commodity if the Secretary determines, after a public hearing of which reasonable notice has been given, that price support at such increased level is necessary in order to prevent or alleviate a shortage in the supply of any agricultural commodity essential to the national welfare or in order to increase or maintain the production of any agricultural commodity in the interest of national security. The Secretary's determination and the record of the hearing shall be available to the public.

Adjustments.

SEC. 403. Appropriate adjustments may be made in the support price for any commodity for differences in grade, type, staple, quality, location, and other factors. Such adjustments shall, so far as practicable, be made in such manner that the average support price for such commodity will, on the basis of the anticipated incidence of such factors, be equal to the level of support determined as provided in this Act. Middling seven-eighths inch cotton shall be the standard grade for purposes of parity and price support.

49 Stat. 774.  
7 U. S. C. § 612c;  
Supp. II, § 612c.  
Post, p. 1057.  
60 Stat. 231.  
42 U. S. C. § 1755.

Liability for defi-  
ciencies.

SEC. 404. The Secretary, in carrying out programs under section 32 of Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, and section 6 of the National School Lunch Act may utilize the services and facilities of the Commodity Credit Corporation (including but not limited to procurement by contract), and make advance payments to it.

SEC. 405. No producer shall be personally liable for any deficiency arising from the sale of the collateral securing any loan made under

authority of this Act unless such loan was obtained through fraudulent representations by the producer. This provision shall not, however, be construed to prevent the Commodity Credit Corporation or the Secretary from requiring producers to assume liability for deficiencies in the grade, quality, or quantity of commodities stored on the farm or delivered by them, for failure properly to care for and preserve commodities, or for failure or refusal to deliver commodities in accordance with the requirements of the program.

Deficiencies in grade, etc.

SEC. 406. The Secretary shall, insofar as practicable, announce the level of price support for field crops in advance of the planting season and for other agricultural commodities in advance of the beginning of the marketing year or season (January 1 in the case of commodities not marketed on a marketing year or season basis), but the level of price support so announced shall not exceed the estimated maximum level of price support specified in this Act, based upon the latest information and statistics available to the Secretary when such level of price support is announced; and the level of price support so announced shall not be reduced if the maximum level of price support when determined, is less than the level so announced.

Announcement of support levels.

SEC. 407. The Commodity Credit Corporation may sell any farm commodity owned or controlled by it at any price not prohibited by this section. In determining sales policies for basic agricultural commodities or storable nonbasic commodities, the Corporation should give consideration to the establishing of such policies with respect to prices, terms, and conditions as it determines will not discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of the commodity of the current crop. The Corporation shall not sell any basic agricultural commodity or storable nonbasic commodity at less than 5 per centum above the current support price for such commodity, plus reasonable carrying charges. The foregoing restrictions shall not apply to (A) sales for new or byproduct uses; (B) sales of peanuts and oilseeds for the extraction of oil; (C) sales for seed or feed if such sales will not substantially impair any price-support program; (D) sales of commodities which have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage; (E) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity; (F) sales for export; (G) sales of wool; and (H) sales for other than primary uses.

Sale of agricultural commodities by Commodity Credit Corporation.

Restriction.

Sec. 408. For the purposes of this Act—

(a) A commodity shall be considered storable upon determination by the Secretary that, in normal trade practice, it is stored for substantial periods of time and that it can be stored under the price-support program without excessive loss through deterioration or spoilage or without excessive cost for storage for such periods as will permit its disposition without substantial impairment of the effectiveness of the price-support program.

Storable commodity.

(b) A "cooperator" with respect to any basic agricultural commodity shall be a producer on whose farm the acreage planted to the commodity does not exceed the farm acreage allotment for the commodity under title III of the Agricultural Adjustment Act of 1938, as amended, or in the case of price support for corn to a producer outside the commercial corn-producing area, a producer who complies with conditions of eligibility prescribed by the Secretary. For the purpose of this subsection, a producer shall not be deemed to have exceeded his farm acreage allotment unless such producer knowingly exceeded such allotment.

"Cooperator."

52 Stat. 38.  
7 U. S. C. §§ 1301-1393; Supp. II, § 1301 et seq.  
*Ante*, p. 670; *post*, pp. 1058, 1059, 1062.

“Basic agricultural commodity.”

(c) A “basic agricultural commodity” shall mean corn, cotton, peanuts, rice, tobacco, and wheat, respectively.

“Nonbasic agricultural commodity.”

(d) A “nonbasic agricultural commodity” shall mean any agricultural commodity other than a basic agricultural commodity.

“Supply percentage.”

(e) The “supply percentage” as to any commodity shall be the percentage which the estimated total supply is of the normal supply as determined by the Secretary from the latest available statistics of the Department of Agriculture as of the beginning of the marketing year for the commodity.

“Total supply.”

(f) “Total supply” of any nonbasic agricultural commodity for any marketing year shall be the carry-over at the beginning of such marketing year, plus the estimated production of the commodity in the United States during the calendar year in which such marketing year begins and the estimated imports of the commodity into the United States during such marketing year.

“Carry-over.”

(g) “Carry-over” of any nonbasic agricultural commodity for any marketing year shall be the quantity of the commodity on hand in the United States at the beginning of such marketing year, not including any part of the crop or production of such commodity which was produced in the United States during the calendar year then current. The carry-over of any such commodity may also include the quantity of such commodity in processed form on hand in the United States at the beginning of such marketing year, if the Secretary determines that the inclusion of such processed quantity of the commodity is necessary to effectuate the purposes of this Act.

“Normal supply.”

(h) “Normal supply” of any nonbasic agricultural commodity for any marketing year shall be (1) the estimated domestic consumption of the commodity for the marketing year for which such normal supply is being determined, plus (2) the estimated exports of the commodity for such marketing year, plus (3) an allowance for carry-over. The allowance for carry-over shall be the average carry-over of the commodity for the five marketing years immediately preceding the marketing year in which such normal supply is determined, adjusted for surpluses or deficiencies caused by abnormal conditions, changes in marketing conditions, or the operation of any agricultural program. In determining normal supply, the Secretary shall make such adjustments for current trends in consumption and for unusual conditions as he may deem necessary.

“Marketing year.”

(i) “Marketing year” for any nonbasic agricultural commodity means any period determined by the Secretary during which substantially all of a crop or production of such commodity is normally marketed by the producers thereof.

52 Stat. 31.  
7 U. S. C. § 1281 *et seq.*; Supp. II, § 1282 *et seq.*  
*Anie.*, p. 670; *post.*, pp. 1058, 1059, 1062.  
62 Stat. 1250.  
7 U. S. C., Supp. II, § 1301 (a) (1) (B).  
“Prices.”

(j) Any term defined in the Agricultural Adjustment Act of 1938, shall have the same meaning when used in this Act.

Sec. 409. (a) Section 301 (a) (1) (B) of the Agricultural Adjustment Act of 1938, as amended by the Agricultural Act of 1948 (defining “adjusted base price”), is amended by adding at the end thereof the following: “As used in this subparagraph, the term ‘prices’ shall include wartime subsidy payments made to producers under programs designed to maintain maximum prices established under the Emergency Price Control Act of 1942.”

56 Stat. 23.  
50 U. S. C. app. § 901 *et seq.*; Supp. II, § 902 *et seq.*  
62 Stat. 1250.  
7 U. S. C., Supp. II, § 1301 (a) (1) (C).

(b) Section 301 (a) (1) (C) of such Act, as so amended (defining “parity index”), is amended (1) by inserting after the word “buy” a comma and the following: “wages paid hired farm labor”, and (2) by inserting after “such prices” a comma and the word “wages”.

62 Stat. 1250.  
7 U. S. C., Supp. II, § 1301 (a) (1).  
Minimum parity price.

(c) Section 301 (a) (1) of such Act, as so amended, is amended by adding at the end thereof the following new subparagraph:

“(G) Notwithstanding the foregoing provisions of this section, the parity price for any basic agricultural commodity, as of any date dur-

ing the four-year period beginning January 1, 1950, shall not be less than its parity price computed in the manner used prior to the enactment of the Agricultural Act of 1949.”

(d) Section 301 (b) (10) (A) of such Act, as so amended (defining “normal supply”), is amended by striking out “7 per centum in the case of corn” and inserting in lieu thereof “10 per centum in the case of corn”.

(e) Section 322 (a) of such Act, as so amended (relating to corn marketing quotas), is amended by adding at the end thereof the following: “With respect to the 1950 crop of corn the determination and proclamation required by this section may be made, notwithstanding the foregoing, at any time prior to February 1, 1950, using 1949 as ‘such calendar year’ for the purposes of (1) and (2) of the preceding sentence.”

(f) Section 328 of such Act, as so amended (relating to corn acreage allotments), is amended by striking out “reserve supply level” and inserting in lieu thereof “normal supply”.

SEC. 410. Section 4 of the Act of March 8, 1938, as amended (15 U. S. C., 1946 edition, 713a-4), is amended by substituting a colon for the period at the end of the next to the last sentence thereof and adding the following: “*Provided*, That this sentence shall not limit the authority of the Corporation to issue obligations for the purpose of carrying out its annual budget programs submitted to and approved by the Congress pursuant to the Government Corporation Control Act (31 U. S. C., 1946 edition, sec. 841).”

SEC. 411. Section 32, as amended, of the Act entitled “An Act to amend the Agricultural Adjustment Act, and for other purposes”, approved August 24, 1935 (U. S. C., title 7, sec. 612c), is amended by inserting before the last sentence thereof the following: “The sums appropriated under this section shall be devoted principally to perishable nonbasic agricultural commodities (other than those designated in title II of the Agricultural Act of 1949) and their products.”

SEC. 412. Determinations made by the Secretary under this Act shall be final and conclusive: *Provided*, That the scope and nature of such determinations shall not be inconsistent with the provisions of the Commodity Credit Corporation Charter Act.

SEC. 413. This Act shall not be effective with respect to price support operations for any agricultural commodity for any marketing year or season commencing prior to January 1, 1950, except to the extent that the Secretary of Agriculture shall, without reducing price support theretofore undertaken or announced, elect to apply the provisions of this Act.

SEC. 414. Section 302 of the Agricultural Adjustment Act of 1938, as amended, and any provision of law in conflict with the provisions of this Act are hereby repealed.

SEC. 415. (a) Except as modified by this Act or by Public Law 272, Eighty-first Congress, sections 201 (b), 201 (d), 201 (e), 203, 207 (a), and 208 of the Agricultural Act of 1948 shall be effective for the purpose of taking any action with respect to the 1950 and subsequent crops upon the enactment of this Act. If the time within which any such action is required to be taken shall have elapsed prior to the enactment of this Act, such action shall be taken within thirty days after the enactment of this Act.

(b) No provision of the Agricultural Act of 1948 shall be deemed to supersede any provision of Public Law 272, Eighty-first Congress.

(c) Section 301 (b) (10) of the Agricultural Adjustment Act of 1938, as amended, by section 201 (d) of the Agricultural Act of 1948, is amended (1) by striking out of subparagraph (A) the following: “cotton,” (2) by striking out of subparagraph (A) the following:

52 Stat. 41; 62 Stat. 1251.  
7 U. S. C., Supp. II, § 1301 (b) (10) (A).  
*Ante*, p. 676.

52 Stat. 49; 62 Stat. 1255.  
7 U. S. C., Supp. II, § 1322 (a).

52 Stat. 52; 62 Stat. 1257.  
7 U. S. C., Supp. II, § 1328.

52 Stat. 108.  
15 U. S. C., Supp. II, § 713a-4 note.

59 Stat. 597.  
31 U. S. C., Supp. II, § 846 *et seq.*

49 Stat. 774.  
7 U. S. C., Supp. II, § 612c.

*Ante*, p. 1052.

62 Stat. 1070.  
15 U. S. C., Supp. II, §§ 714-716.  
*Ante*, p. 154.  
Price support for prior years.

52 Stat. 43.  
7 U. S. C., Supp. II, § 1302.

*Ante*, p. 670.  
62 Stat. 1251, 1255, 1257.  
7 U. S. C., Supp. II, §§ 1301 (b), 1322, 1328, 1312.

62 Stat. 1247.  
7 U. S. C., Supp. II, § 1301 note.  
*Ante*, p. 670.

52 Stat. 41; 62 Stat. 1251.  
7 U. S. C., Supp. II, § 1301 (b) (10).  
*Ante*, p. 676.



“30 per centum in the case of cotton;”, and (3) by adding at the end thereof the following subparagraph:

“Normal supply,”  
cotton.

“(C) The ‘normal supply’ of cotton for any marketing year shall be the estimated domestic consumption of cotton for the marketing year for which such normal supply is being determined, plus the estimated exports of cotton for such marketing year, plus 30 per centum of the sum of such consumption and exports as an allowance for carry-over.”

52 Stat. 42; 62 Stat.  
1251.  
7 U. S. C., Supp. II,  
§ 1301 (b) (16).  
*Ante*, p. 676.  
“Total supply,”  
cotton.

(d) Section 301 (b) (16) of the Agricultural Adjustment Act of 1938, as amended by section 201 (e) of the Agricultural Act of 1948 is amended (1) by striking out of subparagraph (A) the following: “cotton;”, and (2) by adding the following subparagraph:

“(C) ‘Total supply’ of cotton for any marketing year shall be the carry-over at the beginning of such marketing year, plus the estimated production of cotton in the United States during the calendar year in which such marketing year begins and the estimated imports of cotton into the United States during such marketing year.”

Repeals.

62 Stat. 1251, 1256,  
1257.  
7 U. S. C., Supp. II,  
§§ 1301 (b) (3) (B),  
1345, 1355, 1343.  
*Ante*, pp. 674, 670.  
Prevention of waste  
of food commodities.

(e) Sections 201 (c), 205, 206, and 207 (c) of the Agricultural Act of 1948 are hereby repealed.

SEC. 416. In order to prevent the waste of food commodities acquired through price support operations which are found to be in danger of loss through deterioration or spoilage before they can be disposed of in normal domestic channels without impairment of the price support program, the Secretary of Agriculture and the Commodity Credit Corporation are authorized, upon application by the Munitions Board or any other Federal agency and on such terms and under such regulations as may be deemed in the public interest, to make such commodities available to any such agency for use in making payment for commodities not produced in the United States. Any such commodities which are not disposed of pursuant to the foregoing sentence may be made available by the Secretary and the Commodity Credit Corporation at the point of storage at no cost, save handling and transportation costs incurred in making delivery from the point of storage, as follows in the order of priority set forth: First, to school-lunch programs; and to the Bureau of Indian Affairs and Federal, State, and local public welfare organizations for the assistance of needy Indians and other needy persons; second, to private welfare organizations for the assistance of needy persons within the United States; third, to private welfare organizations for the assistance of needy persons outside the United States.

48 Stat. 264.

SEC. 417. (a) Section 41 of the Farm Credit Act of 1933 (U. S. C., title 12, sec. 1134c) is amended by adding at the end thereof the following:

Loans for storage  
construction.

“Notwithstanding any limitations or conditions imposed by law, but subject to the availability of funds, each Bank for Cooperatives shall have power and authority to make separate loans to cooperative associations as defined in the Agricultural Marketing Act, as amended, for the purpose of financing the construction of structures for the storage of agricultural commodities (other than structures to provide refrigerated cold storage or structures in areas in which existing privately owned storage facilities for the commodity concerned are adequate) in amounts up to a maximum of 80 per centum of the cost of such structures, as approved by the Bank for Cooperatives to whom application is made for the loan: *Provided*, That the cooperative association which has applied for any loan shall have furnished to the Bank for Cooperatives an appropriate commitment from the Commodity Credit Corporation that the Commodity Credit Corporation will lease or guarantee utilization of not less than 75 per centum of the storage space contained in such structures when completed for a period of at least

46 Stat. 11.  
12 U. S. C. §§ 1141-  
1141j.

Commitment from  
Commodity Credit  
Corporation.

three years if such structures are not additions to existing structures, or two years if such structures are additions to existing structures.”

(b) Section 34 of the Farm Credit Act of 1933 (U. S. C., title 12, sec. 1134j) is amended by adding at the end thereof the following:

“Notwithstanding any limitations or conditions imposed by law, but subject to the availability of funds, the Central Bank for Cooperatives shall have power and authority to make separate loans to cooperative associations as defined in the Agricultural Marketing Act, as amended, for the purpose of financing the construction of structures for the storage of agricultural commodities (other than structures to provide refrigerated cold storage or structures located in areas in which existing privately owned storage facilities for the commodity concerned are adequate) in amounts up to a maximum of 80 per centum of the cost of such structures, as approved by such bank: *Provided*, That the cooperative association which has applied for any loan shall have furnished to such bank an appropriate commitment from the Commodity Credit Corporation that the Commodity Credit Corporation will lease or guarantee utilization of not less than 75 per centum of the storage space contained in such structures when completed for a period of at least three years if such structures are not additions to existing structures, or two years if such structures are additions to existing structures.”

SEC. 418. (a) Sections 353, 354, 355, and 356 of the Agricultural Adjustment Act of 1938, as amended, are amended to read as follows:

“APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

“SEC. 353. (a) The national acreage allotment of rice for each calendar year shall be apportioned by the Secretary among the several States in which rice is produced in proportion to the average number of acres of rice in each State during the five-year period immediately preceding the calendar year for which such national acreage allotment of rice is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs) with adjustments for trends in acreage during the applicable period.

“(b) The State acreage allotment shall be apportioned to farms owned or operated by persons who have produced rice in any one of the five calendar years immediately preceding the year for which such apportionment is made on the basis of past production of rice by the producer on the farm taking into consideration the acreage allotments previously established for such owners or operators; abnormal conditions affecting acreage; land, labor, and equipment available for the production of rice; crop rotation practices; and the soil and other physical factors affecting the production of rice: *Provided*, That if the State committee recommends such action and the Secretary determines that such action will facilitate the effective administration of the Act, he may provide for the apportionment of the State acreage allotment to farms on which rice has been produced during any one of such period of years on the basis of the foregoing factors, using past production of rice on the farm and the acreage allotments previously established for the farm in lieu of past production of rice by the producer and the acreage allotments previously established for such owners or operators. Not more than 3 per centum of the State acreage allotment shall be apportioned among farms operated by persons who will produce rice during the calendar year for which the allotment is made but who have not produced rice in any one of the past five years, on the basis of the applicable apportionment factors set forth herein: *Provided*, That in any State in which allotments are established for

48 Stat. 262.

Loans for storage construction.

46 Stat. 11,  
12 U. S. C. §§ 1141-1141j.

Commitment from Commodity Credit Corporation.

52 Stat. 61,  
7 U. S. C. §§ 1353-1356; Supp. II, § 1355.

Rice.

Apportionment of State acreage allotments.

Apportionment to farms producing rice in any one of periods.

Acreage restriction.

farms on the basis of past production of rice on the farm such percentage of the State acreage allotment shall be apportioned among the farms on which rice is to be planted during the calendar year for which the apportionment is made but on which rice was not planted during any of the past five years, on the basis of the applicable apportionment factors set forth herein.

Apportionment to  
counties.

“(c) Notwithstanding any other provisions of this Act—

“(1) if farm acreage allotments are established by using past production of rice on the farm and the acreage allotments previously established for the farm in lieu of past production of rice by the producer and the acreage allotments previously established for owners or operators, the State acreage allotment shall be apportioned among counties in the State on the same basis as the national acreage allotment is apportioned among the States and the county acreage allotments shall be apportioned to farms on the basis of the applicable factors set forth in subsection (b) of this section: *Provided*, That the State committee may reserve not to exceed 5 per centum of the State allotment, which shall be used to make adjustments in county allotments for trends in acreage and for abnormal conditions affecting plantings;

*Ante*, p. 1059.  
Adjustments.

“(2) any acreage planted to rice in excess of the farm acreage allotment shall not be taken into account in establishing State, county, and farm acreage allotments.

#### “MARKETING QUOTAS

Proclamation by  
Secretary.

“SEC. 354. (a) Whenever in any calendar year the Secretary determines that the total supply of rice for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 10 per centum, the Secretary shall not later than December 31 of such calendar year proclaim such fact and marketing quotas shall be in effect for the crop of rice produced in the next calendar year.

Referendum.

“(b) Within thirty days after the date of the issuance of the proclamation specified in subsection (a) of this section, the Secretary shall conduct a referendum by secret ballot of farmers engaged in the production of the immediately preceding crop of rice to determine whether such farmers are in favor of or opposed to such quotas. If more than one-third of the farmers voting in the referendum oppose such quotas the Secretary shall, prior to the 15th day of February, proclaim the result of the referendum and such quotas shall become ineffective.

#### “AMOUNT OF FARM MARKETING QUOTA

“Farm marketing  
excess.”  
Maximum.

“SEC. 355. The farm marketing quota for any crop of rice shall be the actual production of rice on the farm less the normal production of the acreage planted to rice on the farm in excess of the farm acreage allotment. The normal production from such excess acreage shall be known as the ‘farm marketing excess’: *Provided*, That the farm marketing excess shall not be larger than the amount by which the actual production of rice on the farm exceeds the normal production of the farm acreage allotment if the producer establishes such actual production to the satisfaction of the Secretary.

#### “PENALTIES AND STORAGE

“SEC. 356. (a) Whenever farm marketing quotas are in effect with respect to any crop of rice, the producer shall be subject to a penalty on the farm marketing excess at a rate per pound equal to 50 per

centum of the parity price per pound for rice as of June 15 of the calendar year in which such crop is produced.

“(b) The farm marketing excess of rice shall be regarded as available for marketing and the amount of penalty shall be computed upon the normal production of the acreage on the farm planted to rice in excess of the farm acreage allotment. If a downward adjustment in the amount of the farm marketing excess is made pursuant to the proviso in section 355, the difference between the amount of the penalty computed upon the farm marketing excess before such adjustment and as computed upon the adjusted marketing excess shall be returned to or allowed the producer.

“(c) The person liable for payment or collection of the penalty shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

“(d) Until the penalty on the farm marketing excess is paid, postponed, or avoided, as provided herein, all rice produced on the farm and marketed by the producer shall be subject to the penalty provided by this section and a lien on the entire crop of rice produced on the farm shall be in effect in favor of the United States.

“(e) The penalty on the farm marketing excess on any crop of rice may be avoided or postponed by storage or by disposing of the commodity in such other manner, not inconsistent with the purposes of this Act, as the Secretary shall prescribe, including, in the discretion of the Secretary, delivery to Commodity Credit Corporation or any other agency within the Department. The Secretary shall issue regulations governing such storage or other disposition. Unless otherwise specified by the Secretary in such regulations, any quantity of rice so stored or otherwise disposed of shall be of those types and grades which are representative of the entire quantity of rice produced on the farm. Upon failure so to store or otherwise dispose of the farm marketing excess of rice within such time as may be determined under regulations prescribed by the Secretary, the penalty on such excess shall become due and payable. Any rice delivered to any agency of the Department pursuant to this subsection shall become the property of the agency to which delivered and shall be disposed of at the direction of the Secretary in a manner not inconsistent with the purposes of this Act.

“(f) Subject to the provisions of subsection (g) of this section, the penalty upon the farm marketing excess stored pursuant to this section shall be paid by the producer at the time and to the extent of any depletion in the amount so stored except depletion resulting from some cause beyond the control of the producer or from substitution of the commodity authorized by the Secretary.

“(g) (1) If the planted acreage of the then current crop of rice for any farm is less than the farm acreage allotment, the amount of the commodity from any previous crop of rice stored to postpone or avoid payment of the penalty shall be reduced by an amount equal to the normal production of the number of acres by which the farm acreage allotment exceeds the acreage planted to rice.

“(2) If the actual production of the acreage of rice on any farm on which the acreage of rice is within the farm acreage allotment is less than the normal production of the farm acreage allotment, the amount of rice from any previous crop stored to postpone or avoid payment of the penalty shall be reduced by an amount which, together with the actual production of the then current crop will equal the normal production of the farm acreage allotment: *Provided*, That the reduction under this paragraph shall not exceed the amount by which the normal production of the farm acreage allotment less any reduction made

Computation of excess.

*Ante*, p. 1060.

Liability.

Lien.

Storage.

Regulations.

Payment of penalty by producer.

Reduction in amount previously stored.

Reduction limitation.

under paragraph (1) of this subsection is in excess of the actual production of the acreage planted to rice on the farm.”

<sup>52 Stat. 39.</sup>  
<sup>7 U. S. C. § 1301 (b)</sup>  
(1) (B).

(b) Section 301 (b) (1) (B) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting after the word “cotton” a comma and the word “rice”.

<sup>52 Stat. 41.</sup>  
<sup>7 U. S. C. § 1301 (b)</sup>  
(9).

(c) Section 301 (b) (9) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting after the comma following the word “cotton” the word “rice”.

*Ante*, p. 672.

SEC. 419. Section 344 (f) (3) of the Agricultural Adjustment Act of 1938, as amended by Public Law 272, Eighty-first Congress, is amended (i) by striking the figure “10” in the first sentence and inserting therefor the figure “15”, and (ii) by striking the figure “30” in the proviso and inserting therefor the figure “20”.

Approved October 31, 1949.