

7 USC Ch. 71: AGRICULTURAL TRADE SUSPENSION ADJUSTMENT

From Title 7—AGRICULTURE

CHAPTER 71—AGRICULTURAL TRADE SUSPENSION ADJUSTMENT

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§4001. Trade suspension reserves

Notwithstanding any other provision of law—

(a) Gasohol feedstock or food security reserves; establishment

Whenever the President or other member of the executive branch of Government causes the export of any agricultural commodity to any country or area of the world to be suspended or restricted for reasons of national security or foreign policy under the Export Administration Act of 1979 or any other provision of law and the Secretary of Agriculture determines that such suspension or restriction will result in a surplus supply of such commodity that will adversely affect prices producers receive for the commodity, the Secretary may establish a gasohol feedstock reserve or a food security reserve, or both, of the commodity, as provided in subsections (c) and (d) of this section, if the commodity is suitable for stockpiling in a reserve.

(b) Announcement of intention to establish reserves; contents

Within thirty days after the export of any agricultural commodity to a country or area is suspended or restricted as described in subsection (a) of this section, the Secretary of Agriculture shall announce whether a gasohol feedstock reserve or a food security reserve of the commodity, or both, will be established under this section and shall include in such announcement the amount of the commodity that will be placed in such reserves, which shall be that portion of the estimated exports of the commodity affected by the suspension or restriction, as determined by the Secretary, that should be removed from the market to prevent the accumulation of a surplus supply of the commodity that will adversely affect prices producers receive for the commodity.

(c) Acquisition of suitable agricultural commodities; payment of transportation and storage costs; disposition of acquired commodities

(1) To establish a gasohol feedstock reserve under this section, the Secretary of Agriculture may acquire agricultural commodities (the export of which is suspended or restricted as described in subsection (a) of this section) that are suitable for use in the production of alcohol for motor fuel through purchases from producers or in the market and by designation by the Secretary of stocks of the commodities held by the Commodity Credit Corporation, and to pay such storage, transportation, and related costs as may be necessary to permit maintenance of the commodities in the reserve for the purposes of this section and disposition of the commodities as provided in paragraph (2) of this subsection.

(2) The Secretary of Agriculture may dispose of stocks of agricultural commodities acquired under paragraph (1) of this subsection only through sale—

(A) for use in the production of alcohol for motor fuel, at not less than the fuel conversion price (as defined in section 4005 of this title) for the commodity involved: *Provided*, That, for wheat and feed grains, if the fuel conversion price for the commodity involved is less than the then current release price at which producers may repay producer storage loans on the commodity and redeem the commodity prior to the maturity dates of the loans, as determined under clause (5) of the third sentence of section 1445e(b)¹ of this title, the Secretary may dispose of stocks of the commodity for such use only through sale at not less than the release price: *Provided further*, That such sales shall only be made to persons for use in the production of alcohol for motor fuel at facilities that, whenever supplies of the commodity are not readily available, can produce alcohol from other agricultural or forestry biomass feedstocks; or

(B) for any other use, when sales for use under clause (A) of this paragraph are impracticable, (i) if there is a producer storage program in effect for the commodity, at not less than 110 per centum of the then current level at which the Secretary may encourage repayment of producer storage loans on the commodity prior to the maturity dates of the loans, as determined under clause (5) of the third sentence of section 1445e(b)¹ of this title, or, (ii) if

there is no producer storage program in effect for the commodity, at not less than the average market price producers received for the commodity at the time the trade suspension was imposed.

(d) Acquisition of agricultural commodities suitable for providing emergency food assistance

(1) To establish a food security reserve under this section, the Secretary of Agriculture may acquire agricultural commodities (the export of which is suspended or restricted as described in subsection (a) of this section) that are suitable for use in providing emergency food assistance and urgent humanitarian relief through purchases from producers or in the market and by designation by the Secretary of stocks of the commodities held by the Commodity Credit Corporation, and to pay such storage, transportation, and related costs as may be necessary to permit maintenance of the commodities in the reserve for the purposes of this section and disposition of the commodities as provided in paragraph (2) of this subsection.

(2) **APPLICABILITY OF CERTAIN PROVISIONS.**—Subsections (c), (d), (e), and (f)(2) of section 1736f–1 of this title shall apply to commodities in any reserve established under paragraph (1), except that the references to "eligible commodities" in the subsections shall be deemed to be references to "agricultural commodities".

(3) Any determination by the President or the Secretary of Agriculture under this section shall be final.

(e) Use of Commodity Credit Corporation funds, facilities, and authorities

The funds, facilities, and authorities of the Commodity Credit Corporation shall be used by the Secretary of Agriculture in carrying out this section, except that any restriction applicable to the acquisition, storage, or disposition of Commodity Credit Corporation owned or controlled commodities shall not apply with respect to the acquisition, storage, or disposition of agricultural commodities under this section.

(f) Safeguards for protection of free market

The Secretary of Agriculture shall establish safeguards to ensure that stocks of agricultural commodities held in the reserves established under this section shall not be used in any manner or under any circumstance to unduly depress, manipulate, or curtail the free market.

(g) Replenishment of reserves with replacement stocks prohibited

Whenever stocks of agricultural commodities are disposed of or released from reserves established under this section, as provided in subsections (c)(2) and (d)(2) of this section, the reserves may not be replenished with replacement stocks.

(h) Effective date

The provisions of this section shall become effective with respect to any suspension of, or restriction on, the export of agricultural commodities, as described in subsection (a) of this section, implemented after December 3, 1980.

(Pub. L. 96–494, [title II, §208, Dec. 3, 1980](#), 94 Stat. 2573; Pub. L. 97–98, [title X, §1004, Dec. 22, 1981](#), 95 Stat. 1260; Pub. L. 104–127, [title II, §225\(b\), Apr. 4, 1996](#), 110 Stat. 962; Pub. L. 105–385, [title II, §212\(b\)\(4\), Nov. 13, 1998](#), 112 Stat. 3467.)

REFERENCES IN TEXT

The Export Administration Act of 1979, referred to in subsec. (a), is Pub. L. 96–72, [Sept. 29, 1979](#), 93 Stat. 503, which was classified principally to chapter 56 (§4601 et seq.) of Title 50, War and National Defense, prior to repeal by Pub. L. 115–232, [div. A, title XVII, §1766\(a\), Aug. 13, 2018](#), 132 Stat. 2232, except for sections 11A, 11B, and 11C thereof (50 U.S.C. 4611, 4612, 4613).

Section 1445e of this title, referred to in subsec. (c)(2), was amended generally by Pub. L. 101–624, [title XI, §1123, Nov. 28, 1990](#), 104 Stat. 3503, and, as so amended, subsec. (b) of section 1445e does not contain a clause (5).

AMENDMENTS

1998—Subsec. (d)(2). Pub. L. 105–385 made technical amendment to reference in original act which appears in text as reference to section 1736f–1 of this title.

1996—Subsec. (d)(2). Pub. L. 104–127 added par. (2) and struck out former par. (2) which read as follows: "The provisions of subsections (c), (d), (e), (f), and (g)(2) of section 1736f–1 of this title shall apply to commodities in any reserve established under paragraph (1) of this subsection, and (except for the last sentence of subsection (c) of section 1736f–1 of this title) the references to 'wheat' in such subsections of section 1736f–1 of this title shall be deemed to be references to 'agricultural commodities'."

1981—Subsec. (c)(2)(A). Pub. L. 97–98, §1004(1), substituted "third sentence" for "second sentence".

Subsec. (c)(2)(B)(i). Pub. L. 97–98, §1004(2), substituted "110 per centum" for "105 per centum", "Secretary may encourage repayment" for "Secretary may call for repayment", and "clause (5) of the third sentence" for "clause (6) of the second sentence".

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97–98 effective Dec. 22, 1981, see section 1801 of Pub. L. 97–98, set out as an Effective Date note under section 4301 of this title.

EFFECTIVE DATE

Pub. L. 96–494, [title II, §213, Dec. 3, 1980](#), 94 Stat. 2578, provided that: "Except as otherwise provided herein, this title [enacting this chapter and section 1445h of this title, amending sections 1444c, 1445b, 1445e, and 1446 of this title, and enacting provisions set out as notes under this section, sections 1445e and 1445h of this title, and section 714c of Title 15, Commerce and Trade] shall become effective October 1, 1980, or the date of enactment [Dec. 3, 1980], whichever is later."

SHORT TITLE

Pub. L. 96–494, [§1, Dec. 3, 1980](#), 94 Stat. 2570, provided: "That this Act [enacting this chapter and sections 1445h and 1736f–1 of this title, amending sections 608c, 1444c, 1445b, 1445e, and 1446 of this title, and enacting provisions set out as notes under this section, sections 1445e, 1445h, and 1736f–1 of this title, and section 714c of Title 15, Commerce and Trade] may be cited as the 'Agricultural Act of 1980'."

Pub. L. 96–494, [title II, §201, Dec. 3, 1980](#), 94 Stat. 2570, provided that: "This title [enacting this chapter and section 1445h of this title, amending sections 1444c, 1445b, 1445e, and 1446 of this title, and enacting provisions set out as notes under this section, sections 1445e and 1445h of this title, and section 714c of Title 15, Commerce and Trade] may be cited as the 'Agricultural Trade Suspension Adjustment Act of 1980'."

¹ *See References in Text note below.*

§4002. Alcohol processor grain reserve program

(a) Definitions

As used in this section—

- (1) The term "Secretary" means the Secretary of Agriculture.
- (2) The term "processor" means any person engaged within the United States in the business of manufacturing grain into alcohol for use as a fuel either by itself or in combination with some other product.
- (3) The terms "agricultural grain" and "grain" mean any agricultural commodity (A) that is suitable for processing into alcohol for use as a fuel, and (B) with respect to which a price support operation is in effect.
- (4) The term "producer storage program" means the producer storage program provided for under section 1445e ¹ of this title.
- (5) The term "small scale biomass energy project" shall have the same meaning as defined in section 8802(19) of title 42.

(b) Loans on stored grain; processors eligible

To assist processors in obtaining a dependable supply of grain at reasonable prices, the Secretary may formulate and administer a program under which processors purchasing and storing grain needed by them for manufacturing into alcohol for use as a fuel may obtain a loan from the Secretary on such grain. Loans under this section may be made available only to processors that (1) operate small scale biomass energy projects financed in whole or in part by the United States Government or any agency thereof, and (2) as determined by the Secretary, are otherwise unable to obtain a dependable supply of grain at reasonable prices for use in such projects.

(c) Terms and conditions of processor grain reserve program and producer storage program

Except as otherwise provided in this section, loans made under this section to carry out the processor grain reserve program may be made on the same terms and conditions as loans made to carry out the producer storage program.

(d) Amount of loan

The amount of the loan that the Secretary may make to an eligible processor at any time on any quantity of grain purchased by the processor shall be determined by multiplying the price support loan rate in effect for such grain at the time the loan is made times the quantity of grain purchased by the processor. The quantity of grain on which one or more loans may be outstanding at any time in the case of any processor may not exceed the estimated quantity of grain needed by such processor for one year of operation.

(e) Replacement of removed grain

Whenever any quantity of grain stored in the processor grain reserve under this section is removed from storage by a processor, the processor may be required to replace such grain with an equal quantity, within such period of time as the Secretary shall prescribe by regulation, or repay that portion of the loan represented by the quantity of grain removed from storage.

(f) Purposes for which grain to be used

Grain on which an eligible processor has received a loan under this section may not be used for any purpose other than the manufacture of alcohol for use as a fuel, and the Secretary shall establish such safeguards as the Secretary deems necessary to assure that such grain is not used for any other purpose and is not used in any manner that would unduly depress, manipulate, or curtail the free market in such grain.

(g) Terms and conditions of loan; security; nonrecourse loans

Loans made under this section shall be made subject to such terms and conditions and subject to such security as the Secretary deems appropriate, except that such loans may not be made as nonrecourse loans.

(h) Payment for cost of storage; repayment of loans

In carrying out the processor grain reserve program under this section, the Secretary may—

(1) provide for the payment to processors of such amounts as the Secretary determines appropriate to cover the cost of storing grain held in the processor grain reserve, except that in no event may the rate of the payment paid under this clause for any period exceed the rate paid by the Secretary under the producer storage program for the same period; and

(2) prescribe conditions under which the Secretary may require processors to repay loans made under this section, plus accrued interest thereon, refund amounts paid to the processors for storage, and require the processors to pay such additional interest and other charges as may be required by regulation in the event any processor fails to abide by the terms and conditions of the loan or any regulation prescribed under this section.

(i) Announcement of terms and conditions of program

The Secretary shall announce the terms and conditions of the processor grain reserve program as far in advance of making loans as practicable.

(j) Use of Commodity Credit Corporation facilities

The Secretary may use the facilities of the Commodity Credit Corporation to carry out this section.

(k) Authorization of appropriations; appropriation acts as determining amount and extent of loans; expiration of authority to make loans

There are authorized to be appropriated such sums as may be necessary to carry out this section. Any loans made under this section shall be made to such extent and such amounts as provided in appropriation Acts. The authority to make loans under this section shall expire five years after December 3, 1980.

(Pub. L. 96–494, title II, §209, Dec. 3, 1980, 94 Stat. 2575.)

REFERENCES IN TEXT

The producer storage program provided for under section 1445e of this title, referred to in subsec. (a)(4), refers to section 1445e prior to the general amendment of such section by Pub. L. 101–624, title XI, §1123, Nov. 28, 1990, 104 Stat. 3503. As amended, section 1445e now provides for a farmer owned reserve program.

EFFECTIVE DATE

Section effective Dec. 3, 1980, see section 213 of Pub. L. 96–494, set out as a note under section 4001 of this title.

¹ See References in Text note below.

§4003. Study of potential for expansion of United States agricultural export markets; report to President and Congress

(a) The Secretary of Agriculture, in consultation with the United States Trade Representative and any other appropriate agency of the United States Government as determined by the Secretary, shall perform a study of the potential for expansion of United States agricultural export markets and the use of agricultural exports in obtaining natural resources or other commodities and products needed by the United States. The Secretary shall complete the study and submit to the President and Congress a report on the study before June 30, 1981.

(b) In performing the study, the Secretary shall determine for the next five years—

(1) world food, feed, and fiber needs;

(2) estimated United States and world food, feed, and fiber production capabilities;

(3) potential new or expanded foreign markets for United States agricultural products;

(4) the potential for the development of international agreements for the exchange of United States agricultural products for natural resources, including energy sources, or other commodities and products needed by the United States; and

(5) the steps that the United States must take to (A) increase agricultural export trade, and (B) obtain needed natural resources or other commodities and products in exchange for agricultural products, to the maximum extent feasible.

(Pub. L. 96–494, title II, §210, Dec. 3, 1980, 94 Stat. 2576.)

EFFECTIVE DATE

Section effective Dec. 3, 1980, see section 213 of Pub. L. 96–494, set out as a note under section 4001 of this title.

§4004. Food bank special nutrition projects

(a) Distribution of agricultural commodities to community food banks for emergency distribution; availability of agricultural commodities; use of currently used distributorship systems; selection of food banks

The Secretary of Agriculture shall carry out special nutrition projects to provide agricultural commodities and other foods that might not otherwise be used, or might be more effectively used by organizations assisted under this section, to community food banks for emergency food box distribution to needy individuals and families. Notwithstanding any other provisions of law, the Secretary shall make available for purposes of such special nutrition projects, agricultural commodities and other foods available to the Secretary under section 1431 of this title, section 1446a–1 of this title, and section 612c of this title. For purposes of distributing agricultural commodities and other foods to community food banks under this section, the Secretary may, in consultation with State agencies, use food distribution systems currently used to distribute agricultural commodities and other foods under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.] and Child Nutrition Act of 1966 [42 U.S.C. 1771 et seq.]. The Secretary shall select food banks, in consultation with the Director of the Community Services Administration, for participation in the special nutrition projects under this section. Food banks shall be selected for participation so as to ensure adequate geographic distribution of emergency food box programs in at least two but not more than seven Department of Agriculture regions.

(b) Application by food bank; recordkeeping and internal procedures

(1) No food bank may participate in the special nutrition projects conducted under this section unless an application therefor is submitted to and approved by the Secretary. Such application shall be submitted in such form and manner and shall contain such information as the Secretary shall prescribe.

(2) Each food bank participating in the special nutrition projects under this section shall establish a recordkeeping system and internal procedures to monitor the use of agricultural commodities and other foods provided under this section. The Secretary shall develop standards by which the feasibility and effectiveness of the projects shall be measured, and shall conduct an ongoing review of the effectiveness of the projects.

(c) Quantities and types of agricultural commodities; regulations for designation of eligible participants

The Secretary shall determine the quantities and types of agricultural commodities and other foods to be made available under this section. The Secretary may prescribe regulations regarding the designation of eligible participants in the projects and any other regulations necessary to carry out this section.

(d) Report to Congress; contents; recommendations

The Secretary shall submit to Congress a progress report on July 1, 1983, and a final report on January 1, 1984, regarding the special nutrition projects carried out under this section. Such report shall include an analysis and evaluation of Federal participation in food bank emergency food programs, the effectiveness of such participation, and the feasibility of continuing such participation. The Secretary shall also include in such report any recommendations regarding improvements in Federal assistance to community food banks, including assistance for administrative expenses and transportation.

(e) Sale of food prohibited; fines and penalties

The sale of food provided under this section shall be prohibited and any person who receives any remuneration in exchange for food provided under this section shall be subject to a fine of not more than \$1,000 or imprisonment for not more than six months, or both.

(f) Paperwork minimization and encouragement of participation

The Secretary shall minimize paperwork requirements placed on food banks which participate in the special nutrition projects established under this section and shall otherwise encourage food banks to participate in such projects.

(g) Authorization of appropriations

There is authorized to be appropriated such sums as may be necessary to carry out this section.

(Pub. L. 96–494, title II, §211, Dec. 3, 1980, 94 Stat. 2577; Pub. L. 97–98, title XI, §1114(b), Dec. 22, 1981, 95 Stat. 1269; Pub. L. 106–78, title VII, §752(b)(4), Oct. 22, 1999, 113 Stat. 1169.)

REFERENCES IN TEXT

The Richard B. Russell National School Lunch Act, referred to in subsec. (a), is act [June 4, 1946, ch. 281](#), 60 Stat. 230, as amended, which is classified generally to chapter 13 (§1751 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 1751 of Title 42 and Tables.

The Child Nutrition Act of 1966, referred to in subsec. (a), is Pub. L. 89–642, [Oct. 11, 1966](#), 80 Stat. 885, as amended, which is classified generally to chapter 13A (§1771 et seq.) of Title 42. For complete

classification of this Act to the Code, see Short Title note set out under section 1771 of Title 42 and Tables.

AMENDMENTS

1999—Subsec. (a). Pub. L. 106–78 substituted "Richard B. Russell National School Lunch Act" for "National School Lunch Act".

1981—Subsecs. (a), (b). Pub. L. 97–98, §1114(b)(1), substituted "special nutrition projects" for "demonstration projects" wherever appearing.

Subsec. (d). Pub. L. 97–98, §1114(b)(2), (3), substituted "to Congress a progress report on July 1, 1983, and a final report on January 1, 1984" for "a report to Congress on October 1, 1982" and "special nutrition projects" for "demonstration projects".

Subsecs. (f), (g). Pub. L. 97–98, §1114(b)(4), (5), added subsec. (f), redesignated former subsec. (f) as (g), and substituted "such sums as may be necessary to carry out this section" for "to carry out this section \$356,000".

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97–98 effective Dec. 22, 1981, see section 1801 of Pub. L. 97–98, set out as an Effective Date note under section 4301 of this title.

EFFECTIVE DATE

Section effective Dec. 3, 1980, see section 213 of Pub. L. 96–494, set out as a note under section 4001 of this title.

COMMUNITY SERVICES ADMINISTRATION

Community Services Administration, which was established by section 601 of Economic Opportunity Act of 1964, as amended (42 U.S.C. 2941), terminated when Economic Opportunity Act of 1964, Pub. L. 88–452, [Aug. 20, 1964](#), 78 Stat. 508, as amended, was repealed, except for titles VIII and X, effective Oct. 1, 1981, by section 683(a) of Pub. L. 97–35, [title VI, Aug. 13, 1981](#), 95 Stat. 519, which is classified to 42 U.S.C. 9912(a). An Office of Community Services, headed by a Director, was established in the Department of Health and Human Services by section 676 of Pub. L. 97–35, which is classified to 42 U.S.C. 9905.

§4004a. Applicability of supplemental nutrition assistance requirements

Section 2013(b) of this title shall not apply with respect to distribution of surplus commodities under section 4004 of this title.

(Pub. L. 97–98, [title XI, §1114\(d\), Dec. 22, 1981](#), 95 Stat. 1269; Pub. L. 110–234, [title IV, §4002\(b\)\(1\)\(B\), \(2\)\(II\), May 22, 2008](#), 122 Stat. 1096, 1098; Pub. L. 110–246, [§4\(a\), title IV, §4002\(b\)\(1\)\(B\), \(2\)\(II\), June 18, 2008](#), 122 Stat. 1664, 1857, 1859.)

CODIFICATION

Pub. L. 110–234 and Pub. L. 110–246 made identical amendments to this section. The amendments by Pub. L. 110–234 were repealed by section 4(a) of Pub. L. 110–246.

Section was enacted as part of the Agriculture and Food Act of 1981, and not as part of the Agricultural Act of 1980 which comprises this chapter.

AMENDMENTS

2008—Pub. L. 110–246, §4002(b)(1)(B), (2)(II), made technical amendment to reference in original act which appears in text as reference to section 2013(b) of this title.

EFFECTIVE DATE OF 2008 AMENDMENT

Amendment of this section and repeal of Pub. L. 110–234 by Pub. L. 110–246 effective May 22, 2008, the date of enactment of Pub. L. 110–234, except as otherwise provided, see section 4 of Pub. L. 110–246, set out as an Effective Date note under section 8701 of this title.

Amendment by section 4002(b)(1)(B), (2)(II) of Pub. L. 110–246 effective Oct. 1, 2008, see section 4407 of Pub. L. 110–246, set out as a note under section 1161 of Title 2, The Congress.

EFFECTIVE DATE

Section effective Dec. 22, 1981, see section 1801 of Pub. L. 97–98, set out as a note under section 4301 of this title.

§4005. "Fuel conversion price" defined

As used in this chapter, the phrase "fuel conversion price" means the price for an agricultural commodity determined by the Secretary of Agriculture that will permit gasoline-alcohol mixtures using alcohol produced from the commodity to be competitive in price with unleaded gasoline priced at the point it leaves the refinery, adjusted for differences in octane rating, taking into consideration the energy value of the commodity and other appropriate values designed to represent, on a national average basis, the value of byproducts also recoverable from the commodity; the direct costs and capital recovery costs for a grain alcohol distillery capable of producing forty million gallons of alcohol and recovering byproducts annually; and Federal tax and other Federal incentives applicable to alcohol used for fuel.

(Pub. L. 96-494, title II, §212, Dec. 3, 1980, 94 Stat. 2578.)

REFERENCES IN TEXT

This chapter, referred to in text, was in the original "this title", meaning title II of Pub. L. 96-494, Dec. 3, 1980, 94 Stat. 2570, as amended, which enacted this chapter and section 1445h of this title, amended sections 1444c, 1445b, 1445e, and 1446 of this title, and enacted provisions set out as notes under sections 1445e, and 1445h and 4001 of this title and section 714c of Title 15, Commerce and Trade. For complete classification of title II to the Code, see Short Title note set out under section 4001 of this title and Tables.

EFFECTIVE DATE

Section effective Dec. 3, 1980, see section 213 of Pub. L. 96-494, set out as a note under section 4001 of this title.