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APPROVED
MAR 25 1976

8 3/25/76

THE WHITE HOUSE
WASHINGTON

ACTION

LAST DAY: March 30

March 25, 1976

MEMORANDUM FOR THE PRESIDENT

FROM:

JIM CANNON

SUBJECT:

S. 1545 - Peanut Allotment Transfers

Attached for your consideration is S. 1545, sponsored by Senator Bumpers, which provides for the transfer of peanut allotments from one farm to another in a county or an adjoining county, including interstate transfers when the Secretary of Agriculture has determined that a natural disaster has prevented the timely planting or replanting of peanuts for the crop year.

Additional information is provided in OMB's enrolled bill report at Tab A.

OMB, Max Friedersdorf, Counsel's Office (Lazarus), and I recommend approval of the enrolled bill.

RECOMMENDATION

That you sign S. 1545 at Tab B.

Posted
3/26/76
to Archives
3/26/76





EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

MAR 29 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 1545 - Peanut allotment transfers
Sponsor - Sen. Bumpers (D) Arkansas

Last Day for Action

March 30, 1976 - Tuesday

Purpose

Provides for the transfer of peanut allotments in the event of a natural disaster.

Agency Recommendations

Office of Management and Budget Approval

Department of Agriculture Approval

Discussion

Under current law, peanut allotments may be leased, sold, or transferred within the same county if the Secretary of Agriculture finds that such action would not impair the effective operation of the peanut marketing quota or price support program. In recent years, heavy flooding in some peanut growing areas has made it impossible for the affected farmers to grow peanuts.

S. 1545 would authorize the Secretary of Agriculture to allow the transfer of all or a part of the peanut acreage allotment from one farm to another farm in a county or an adjoining county, including interstate transfers. For each transfer, the Secretary must determine (1) that a natural disaster has prevented the timely planting or

replanting of peanuts for the crop year and (2) that at least one of the producers on the farm from which the transfer is to be made will be engaged in the production of peanuts on the new farm and share in the proceeds from the crop.

In its enrolled bill letter, Agriculture states that S. 1545 would "result in nominal administrative costs" and further explains that:

"The provision to permit disaster transfers to another county, even though the county into which the allotment is being transferred is in another state, is intended to make sure that all farmers have equal opportunity for such transfers regardless of the geographical location of the county within which the farm is located."

James M. Frey
James M. Frey
Assistant Director for
Legislative Reference

Enclosure





DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

MAR 19 1976

Honorable James T. Lynn
Director, Office of Management
and Budget

Dear Mr. Lynn:

This is in response to a request from your office for a report on the enrolled enactment S. 1545, "To amend the Agricultural Adjustment Act of 1938 with respect to peanuts."

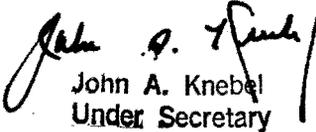
This Department recommends that the President approve the bill.

S. 1545 authorizes the transfer of peanut allotments to farms in the same county or an adjoining county in the same or an adjoining state, provided the Secretary determines that because of a natural disaster, some peanut allotments could not be planted timely.

The provision to permit disaster transfers to another county, even though the county into which the allotment is being transferred is in another state, is intended to make sure that all farmers have equal opportunity for such transfers regardless of the geographical location of the county within which the farm is located.

It is estimated that enactment of S. 1545 would result in nominal administrative costs at the county level.

Sincerely,


John A. Knebel
Under Secretary

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: March 24

Time: 1100am

FOR ACTION: Paul Leach
Max Friedersdorf
Ken Lazarus

cc (for information):

Jack Marsh
Jim Cavanaugh
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: March 25

Time: 500pm

SUBJECT:

S. 1545-Peanut Allotment transfers

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

No objection.

Ken Lazarus



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon
For the President

THE WHITE HOUSE

WASHINGTON

March 25, 1976

MEMORANDUM FOR: JIM CAVANAUGH
FROM: MAX L. FRIEDERSDORF *M. L.*
SUBJECT: S. 1545 - Peanut Allotment Transfers

The Office of Legislative Affairs concurs with the agencies
that the subject bill be signed.

Attachments

To: J. Conroy
3-24-76
9:30 A.M.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

MAR 23 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 1545 - Peanut allotment transfers
Sponsor - Sen. Bumpers (D) Arkansas

Last Day for Action

March 30, 1976 - Tuesday

Purpose

Provides for the transfer of peanut allotments in the event of a natural disaster.

Agency Recommendations

Office of Management and Budget	Approval
Department of Agriculture	Approval

Discussion

Under current law, peanut allotments may be leased, sold, or transferred within the same county if the Secretary of Agriculture finds that such action would not impair the effective operation of the peanut marketing quota or price support program. In recent years, heavy flooding in some peanut growing areas has made it impossible for the affected farmers to grow peanuts.

S. 1545 would authorize the Secretary of Agriculture to allow the transfer of all or a part of the peanut acreage allotment from one farm to another farm in a county or an adjoining county, including interstate transfers. For each transfer, the Secretary must determine (1) that a natural disaster has prevented the timely planting or



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: March 24

Time: 1100am

FOR ACTION: Paul Beach *pk*
Max Friedersdorf
Ken Lazarus *pk*

cc (for information):

JacM Marsh
Jim Cavanaggh

FROM THE STAFF SECRETARY

DUE: Date: March 25

Time: 500pm

SUBJECT:

H. 1545-Peanut Allotment transfers

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President



TRANSFER OF PEANUT ALLOTMENTS BECAUSE OF DISASTERS

MARCH 1, 1976.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. FOLEY, from the Committee on Agriculture,
submitted the following

REPORT

[To accompany S. 1545]

The Committee on Agriculture to whom was referred the bill (S. 1545), to amend the Agricultural Adjustment Act of 1938 with respect to peanuts, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Page 1, line 7, strike "1975" and insert in lieu thereof "1976".

PURPOSE AND NEED FOR LEGISLATION

The Agricultural Adjustment Act of 1938 provides that the Secretary of Agriculture may permit the sale, lease, and transfer of peanut allotments, subject to various restrictions, including a prohibition against the transfer of any allotment to a farm in another county.

The existence of this restriction may result in hardship in the event a natural disaster prevents the timely planting of the crop on the farm in the county having the allotment. The bill, S. 1545, provides that if the Secretary of Agriculture determines that because of a natural disaster an allotment cannot be timely planted or replanted, he may authorize the transfer of all or a part of the peanut acreage allotment for any farm in the affected county to another farm in the same county or in an adjoining county in the same or an adjoining State. However, the transfer must be to a farm on which one or more of the producers on the farm from which the transfer is made will be engaged in the production of peanuts and will share in the proceeds. This provision helps insure that in the event of a disaster all farmers have equal opportunity for transfers regardless of the geographic locations of the county within which the farm is located. For example, in Arkansas the channel of the Mississippi River has changed and has left peanut

farmers in such a position that when they are stricken by a disaster, such as a flood, they are unable to find a farm in an adjoining area to which they can safely transfer their allotment, except in the adjacent county in Tennessee.

The bill is narrow in scope and has no purpose other than to allow the law to respond better to an emergency situation resulting from a natural disaster.

COMMITTEE CONSIDERATION

The Subcommittee on Oilseeds and Rice held a hearing on S. 1545 on January 29, 1976, at which time it heard testimony from a representative of the United States Department of Agriculture in support of the bill. The Subcommittee then reported the bill to the full Committee by a unanimous voice vote in the presence of a quorum.

The House Committee on Agriculture held a business session on February 18, 1976, and in the presence of a quorum by a voice vote unanimously agreed to report the bill with a recommendation that it pass, after having accepted an amendment by Mr. Mathis of Georgia to change the first crop year to which the bill could apply from 1975 to 1976.

ADMINISTRATION POSITION

Mr. William L. Lanier, Director of the Tobacco and Peanut Division of the Agricultural and Stabilization Service, U.S. Department of Agriculture, testified before the Subcommittee on Oilseeds and Rice that the Department had no objections to S. 1545. Mr. Lanier's statement follows:

STATEMENT OF WILLIAM L. LANIER, DIRECTOR, TOBACCO AND PEANUT DIVISION, ACSC, U.S. DEPARTMENT OF AGRICULTURE

Mr. Chairman and Members of the Subcommittee, thank you for giving me the opportunity to appear before you to discuss the transfer of peanut allotments because of disasters. My name is William L. Lanier. I am Director of the Tobacco and Peanut Division, Agricultural Stabilization and Conservation Service, U.S. Department of Agriculture.

The bill before you for consideration, S. 1545, would amend the Agricultural Adjustment Act of 1938 to authorize the transfer of peanut allotments to farms in the same county or an adjoining county in the same or adjoining State, provided the Secretary determines that because of natural disaster, some peanut allotments could not be timely planted.

The provision to permit allotment transfers to another county, even though the county into which the allotment is being transferred is in another State, is intended to make sure that all farmers have equal opportunity for such transfers regardless of the geographical location of the county within which the farm is located.

It is estimated that the enactment of this bill would result in nominal administrative costs at the county level.

The Department has no objection to the proposed legislation.

CURRENT AND FIVE SUBSEQUENT FISCAL YEAR COST ESTIMATE

Pursuant to clause 7 of Rule XIII of the Rules of the House of Representatives, requiring a cost estimate of this legislation for the current and next five fiscal years, the Committee agrees with the Congressional Budget Office and Department of Agriculture that the costs resulting from enactment of this bill would be negligible.

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(1)(4) of Rule XI of the Rules of the House of Representatives, the Committee estimates that enactment of S. 1545 would have no inflationary impact on the national economy.

BUDGET ACT COMPLIANCE (SECTION 308 AND SECTION 403)

With respect to the provisions of clause 2(1)(3)(B) of Rule XI of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 (relating to estimates of new budget authority or new or increased tax expenditures) and clause 2(1)(3)(C) of Rule XI of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has been advised by the Director of the Congressional Budget Office that the costs, if any, under this bill would be negligible.

OVERSIGHT STATEMENT

No summary of oversight findings and recommendations made by the Committee on Government Operations under clause 2(b)(2) of Rule X of the Rules of the House of Representatives was available to the Committee with reference to the subject matter specifically addressed by S. 1545, as amended.

No specific oversight activities, other than the hearings accompanying the Committee's consideration of S. 1545, as amended, were made by the Committee, within the definition of clause 2(b)(1) of Rule X of the House.

CHANGES IN EXISTING LAW

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, and existing law in which no change is proposed is shown in roman):

AGRICULTURAL ADJUSTMENT ACT OF 1938

* * * * *

TITLE III--LOANS, PARITY PAYMENTS, CONSUMER SAFEGUARDS, MARKETING QUOTAS, AND MARKETING CERTIFICATES

* * * * *

SEC. 358. (a) * * *

* * * * *

(g) Any part of the acreage allotted to individual farms under the provisions of this section on which peanuts will not be produced and which is voluntarily surrendered to the county committee shall be deducted from the allotments to such farms and may be reapportioned by the county committee to other farms in the same county receiving allotments, in amounts determined by the county committee to be fair and reasonable on the basis of land, labor, and equipment available for the production of peanuts, crop-rotation practices, and soil and other physical factors affecting the production of peanuts. Any transfer of allotments under this provision shall not operate to reduce the allotment for any subsequent year for the farm from which acreage is transferred, except as the farm becomes ineligible for an allotment by failure to produce peanuts during a three-year period, and any such transfer shall not operate to increase the allotment for any subsequent year for the farm to which the acreage is transferred: *Provided*, That, notwithstanding any other provisions of this Act, any part of any farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm, and reapportioned as provided herein.

* * * * *

(i) The production of peanuts on a farm in 1959 or any subsequent year for which no farm acreage allotment was established shall not make the farm eligible for an allotment as an old farm under subsection (d) of this section: *Provided, however*, That by reason of such production the farm need not be considered as ineligible for a new farm allotment under subsection (f) of this section, but such production shall not be deemed past experience in the production of peanuts for any producer on the farm.

(j) *Notwithstanding any other provision of this Act, if the Secretary determines for 1976 or a subsequent year that because of a natural disaster a portion of the farm peanut acreage allotments in a county cannot be timely planted or replanted in such year, he may authorize for such year the transfer of all or a part of the peanut acreage allotments for any farm in the county so affected to another farm in the county or in an adjoining county in the same or an adjoining State on which one or more of the producers on the farm from which the transfer is to be made will be engaged in the production of peanuts and will share in the proceeds thereof, in accordance with such regulations as the Secretary may prescribe. Any farm allotments transferred under this subsection shall be deemed to be released acreage for the purpose of acreage history credits under subsection (g) of this section and section 377 of this Act: Provided, That notwithstanding the provisions of subsection (g) of this section, the transfer of any farm allotment under this subsection shall operate to make the farm from which the allotment was transferred eligible for an allotment as having peanuts planted thereon during the three-year base period.*

* * * * *

TRANSFER OF PEANUT ALLOTMENTS BECAUSE OF DISASTERS

NOVEMBER 10, 1975.—Ordered to be printed

Mr. HUDDLESTON, from the Committee on Agriculture and Forestry,
submitted the following

REPORT

[To accompany S. 1545]

The Committee on Agriculture and Forestry, to which was referred the bill (S. 1545) to amend the Agricultural Adjustment Act of 1938 with respect to peanuts, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

SHORT EXPLANATION

This bill would authorize the transfer of peanut allotments from one farm to another, provided the Secretary of Agriculture determines that because of a natural disaster the allotment could not be planted timely.

NEED AND PURPOSE

Under existing law, peanut producers have no alternative if a disaster prevents them from planting peanuts.

The provision to permit disaster transfers to another county, even though the county into which the allotment is being transferred is in another state, is intended to make sure that all farmers have equal opportunity for such transfers regardless of the geographical location of the county within which the farm is located.

Under the bill, if because of a natural disaster, a portion of the farm peanut acreage allotments in a county cannot be timely planted or replanted in such year, the Secretary of Agriculture, under such regulations as he may prescribe, is authorized in that year to permit the transfer of all or a part of the peanut acreage allotments for any farm in the affected county to another farm in the county or in an adjoining county in the same state or an adjoining state on which one or more of the producers on the farm from which the transfer is made will

be engaged in the production of peanuts and will share in the proceeds thereof.

Acreage history credits shall be preserved to the farm from which the allotment is transferred.

DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,

OFFICE OF THE SECRETARY,

Washington, D.C., October 20, 1975.

HON. HERMAN E. TALMADGE,
Chairman, Committee on Agriculture and Forestry,
U.S. Senate.

DEAR MR. CHAIRMAN: This is in response to your request for a report on S. 1545, a bill "To amend the Agricultural Adjustment Act of 1938 with respect to peanuts."

The Department recommends that this bill be passed.

This bill authorizes the transfer of peanut allotments to farms in the same county or an adjoining county in the same or an adjoining state, provided the Secretary determines that because of a natural disaster, some peanut allotments could not be planted timely.

The provision to permit disaster transfers to another county, even though the county into which the allotment is being transferred is in another state, is intended to make sure that all farmers have equal opportunity for such transfers regardless of the geographical location of the county within which the farm is located.

It is estimated that enactment of S. 1545 would result in nominal administrative costs at the county level.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

RICHARD A. ASHWORTH,
Deputy Under Secretary.

COST ESTIMATE

In accordance with section 252 of the Legislative Reorganization Act of 1970, the Committee reports that it concurs with the estimates of the Department of Agriculture that the impact of S. 1545 would result in nominal administrative costs at the county level.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

AGRICULTURAL ADJUSTMENT ACT OF 1938

* * * * *

TITLE III—LOANS, PARITY PAYMENTS, CONSUMER SAFEGUARDS, MARKETING QUOTAS, AND MARKETING CERTIFICATES

* * * * *
SEC. 358. (a) * * * * *
* * * * *

(g) Any part of the acreage allotted to individual farms under the provisions of this section on which peanuts will not be produced and which is voluntarily surrendered to the county committee shall be deducted from the allotments to such farms and may be reapportioned by the county committee to other farms in the same county receiving allotments, in amounts determined by the county committee to be fair and reasonable on the basis of land, labor, and equipment available for the production of peanuts, crop-rotation practices, and soil and other physical factors affecting the production of peanuts. Any transfer of allotments under this provision shall not operate to reduce the allotment for any subsequent year for the farm from which acreage is transferred, except as the farm becomes ineligible for an allotment by failure to produce peanuts during a three-year period, and any such transfer shall not operate to increase the allotment for any subsequent year for the farm to which the acreage is transferred: *Provided, That*, notwithstanding any other provisions of this Act, any part of any farm acreage allotment may be permanently released in writing to the county committee by the owner and operation of the farm, and reapportioned as provided herein.

* * * * *

(i) The production of peanuts on a farm in 1959 or any subsequent year for which no farm acreage allotment was established shall not make the farm eligible for an allotment as an old farm under subsection (d) of this section: *Provided, however*, That by reason of such production the farm need not be considered as ineligible for a new farm allotment under subsection (f) this section, but such production shall not be deemed past experience in the production of peanuts for any producer on the farm.

(j) *Notwithstanding any other provision of this Act, if the Secretary determines for 1975 or a subsequent year that because of a natural disaster a portion of the farm peanut acreage allotments in a county cannot be timely planted or replanted in such year, he may authorize for such year the transfer of all or a part of the peanut acreage allotments for any farm in the county so affected to another farm in the county or in an adjoining county in the same or an adjoining State on which one or more of the producers on the farm from which the transfer is to be made will be engaged in the production of peanuts and will share in the proceeds thereof, in accordance with such regulations as the Secretary may prescribe. Any farm allotments transferred under this subsection shall be deemed to be released acreage for the purpose of acreage history credits under subsection (g) of this section and section 377 of this Act: Provided, That notwithstanding the provi-*

sions of subsection (g) of this section, the transfer of any farm allotment under this subsection shall operate to make the farm from which the allotment was transferred eligible for an allotment as having peanuts planted thereon during the three-year base period.

* * * * *

○

Ninety-fourth Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the nineteenth day of January,
one thousand nine hundred and seventy-six*

An Act

To amend the Agricultural Adjustment Act of 1938 with respect to peanuts.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 358 of the Agricultural Adjustment Act of 1938 be amended by adding a new subsection (j) to read as follows:

“(j) Notwithstanding any other provision of this Act, if the Secretary determines for 1976 or a subsequent year that because of a natural disaster a portion of the farm peanut acreage allotments in a county cannot be timely planted or replanted in such year, he may authorize for such year the transfer of all or a part of the peanut acreage allotments for any farm in the county so affected to another farm in the county or in an adjoining county in the same or an adjoining State on which one or more of the producers on the farm from which the transfer is to be made will be engaged in the production of peanuts and will share in the proceeds thereof, in accordance with such regulations as the Secretary may prescribe. Any farm allotment transferred under this subsection shall be deemed to be released acreage for the purpose of acreage history credits under subsection (g) of this section and section 377 of this Act: *Provided*, That notwithstanding the provisions of subsection (g) of this section, the transfer of any farm allotment under this subsection shall operate to make the farm from which the allotment was transferred eligible for an allotment as having peanuts planted thereon during the three-year base period.”

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

March 18, 1976

Dear Mr. Director:

The following bills were received at the White House on March 18th:

- ✓ S. 611
- ✓ S. 1545
- ✓ H.R. 9570

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,

Robert D. Linder
Chief Executive Clerk

The Honorable James T. Lynn
Director
Office of Management and Budget
Washington, D.C.

