

FARM SECURITY ACT OF 2001

SEPTEMBER 10, 2001.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HYDE, from the Committee on International Relations, submitted the following

R E P O R T

[To accompany H.R. 2646]

The Committee on International Relations, to whom was referred the bill (H.R. 2646) to provide for the continuation of agricultural programs through fiscal year 2011, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

CONTENTS

	Page
The Amendment	2
Purpose and Summary	14
Background and Need for the Legislation	15
Hearings	15
Committee Consideration	16
Votes of the Committee	16
Committee Oversight Findings	16
New Budget Authority and Tax Expenditures	17
Committee Cost Estimate	17
Performance Goals and Objectives	17
Constitutional Authority Statement	17
Section-by-Section Analysis	17
New Advisory Committees	27
Congressional Accountability Act	27
Federal Mandates	27
Changes in Existing Law Made by the Bill, as Reported	27

THE AMENDMENT

The amendments are as follows:

Amend title III of the bill to read as follows (and conform the table of contents accordingly):

TITLE III—TRADE

SEC. 301. MARKET ACCESS PROGRAM.

Section 211(c)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)(1)) is amended—

- (1) by striking “and not more” and inserting “not more”;
- (2) by striking “2002” and inserting “2001”; and
- (3) by inserting “and not more than \$180,000,000 for each of fiscal years 2002 through 2007,” after “2001.”

SEC. 302. FOOD FOR PROGRESS.

(a) IN GENERAL.—Subsections (f)(3), (g), and (k) of section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o) are each amended by striking “2002” and inserting “2007”.

(b) INCREASE IN FUNDING.—Section 1110(l)(1) of the Food Security Act of 1985 (7 U.S.C. 1736o(l)(1)) is amended—

- (1) by striking “fiscal years 1996 through 2002” and inserting “fiscal years 2002 through 2007”; and
- (2) by striking “\$10,000,000 (or in the case of fiscal year 1999, \$12,000,000)” and inserting “\$15,000,000”.

(c) EXCLUSION FROM LIMITATION.—Section 1110(e)(2) of the Food Security Act of 1985 (7 U.S.C. 1736o(e)(2)) is amended by inserting before the period “, and subsection (g) does not apply to such commodities furnished on a grant basis or on credit terms under title I of the Agricultural Trade Development and Assistance Act of 1954”.

(d) TRANSPORTATION COSTS.—Section 1110(f)(3) of the Food Security Act of 1985 (7 U.S.C. 1736o(f)(3)) is amended by striking “\$30,000,000” and inserting “\$40,000,000”.

(e) AMOUNTS OF COMMODITIES.—Section 1110(g) of the Food Security Act of 1985 (7 U.S.C. 1736o(g)) is amended by striking “500,000” and inserting “1,000,000”.

(f) MULTIYEAR BASIS.—Section 1110(j) of the Food Security Act of 1985 (7 U.S.C. 1736o(j)) is amended—

- (1) by striking “may” and inserting “is encouraged”; and
- (2) by inserting “to” before “approve”.

(g) MONETIZATION.—Section 1110(l)(3) of the Food Security Act of 1985 (7 U.S.C. 1736o(l)(3)) is amended by striking “local currencies” and inserting “proceeds”.

(h) NEW PROVISIONS.—Section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o) is amended by adding at the end the following:

“(p) The Secretary is encouraged to finalize program agreements and resource requests for programs under this

section before the beginning of the relevant fiscal year. By November 1 of the relevant fiscal year, the Secretary shall provide to the Committee on Agriculture and the Committee on International Relations of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a list of approved programs, countries, and commodities, and the total amounts of funds approved for transportation and administrative costs, under this section.”.

SEC. 303. SURPLUS COMMODITIES FOR DEVELOPING OR FRIENDLY COUNTRIES.

(a) **USE OF CURRENCIES.**—Section 416(b)(7)(D) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)(7)(D)) is amended—

(1) in clauses (i) and (iii), by striking “foreign currency” each place it appears;

(2) in clause (ii)—

(A) by striking “Foreign currencies” and inserting “Proceeds”; and

(B) by striking “foreign currency”; and

(3) in clause (iv)—

(A) by striking “Foreign currency proceeds” and inserting “Proceeds”;

(B) by striking “country of origin” the second place it appears and all that follows through “as necessary to expedite” and inserting “country of origin as necessary to expedite”;

(C) by striking “; or” and inserting a period; and

(D) by striking subclause (II).

(b) **IMPLEMENTATION OF AGREEMENTS.**—Section 416(b)(8)(A) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)(8)(A)) is amended—

(1) by inserting “(i)” after “(A)”; and

(2) by adding at the end the following new clauses:

“(ii) The Secretary shall publish in the Federal Register, not later than October 31 of each fiscal year, an estimate of the commodities that shall be available under this section for that fiscal year.

“(iii) The Secretary is encouraged to finalize program agreements under this section not later than December 31 of each fiscal year.”.

SEC. 304. EXPORT ENHANCEMENT PROGRAM.

Section 301(e)(1)(G) of the Agricultural Trade Act of 1978 (7 U.S.C. 5651(e)(1)(G)) is amended by inserting “and for each fiscal year thereafter through fiscal year 2007” after “2002”.

SEC. 305. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

(a) **IN GENERAL.**—Section 703 of the Agricultural Trade Act of 1978 (7 U.S.C. 5723) is amended—

(1) by striking “There are authorized” and inserting “(a) **PRIOR YEARS.**—There are authorized”;

(2) by striking “2002” and inserting “2001”; and

(3) by adding at the end the following new subsection:

“(b) FISCAL 2002 AND LATER.—For each of fiscal years 2002 through 2007 there are authorized to be appropriated such sums as may be necessary to carry out this title, and, in addition to any sums so appropriated, the Secretary shall use \$40,000,000 of the funds of, or an equal value of the commodities of, the Commodity Credit Corporation to carry out this title.”

(b) REPORT TO CONGRESS.—Section 702 of the Agricultural Trade Act of 1978 (7 U.S.C. 5722) is amended by adding at the end the following:

“(c) REPORT TO CONGRESS.—

“(1) IN GENERAL.—The Secretary shall report annually to the appropriate congressional committees the amount of funding provided, types of programs funded, the value added products that have been targeted, and the foreign markets for those products that have been developed.

“(2) DEFINITION.—In this subsection, the term ‘appropriate congressional committees’ means—

“(A) the Committee on Agriculture and the Committee on International Relations of the House of Representatives; and

“(B) the Committee on Agriculture, Nutrition and Forestry and the Committee on Foreign Relations of the Senate.”

SEC. 306. EXPORT CREDIT GUARANTEE PROGRAM.

(a) REAUTHORIZATION.—Section 211(b)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)(1)) is amended by striking “2002” and inserting “2007”.

(b) PROCESSED AND HIGH VALUE PRODUCTS.—Section 202(k)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(k)(1)) is amended by striking “, 2001, and 2002” and inserting “through 2007”.

(c) REPORT.—Section 211 of the Agricultural Trade Act of 1978 (7 U.S.C. 5641) is amended by adding at the end the following:

“(d) REPORT ON AGRICULTURAL EXPORT CREDIT PROGRAMS.—

“(1) IN GENERAL.—Not later than one year after the date of the enactment of the Farm Security Act of 2001, and annually thereafter, the Secretary shall prepare and submit to the designated congressional committees a report on the status of multilateral negotiations regarding agricultural export credit programs at the World Trade Organization and the Organization of Economic Cooperation and Development in fulfillment of Article 10.2 of the Agreement on Agriculture (as described in section 101(d)(2) of the Uruguay Round Agreements Act). The report submitted under this paragraph shall be submitted in unclassified form, but may contain a classified annex.

“(2) DEFINITION.—In this subsection, the term ‘designated congressional committees’ means the Com-

mittee on Agriculture and the Committee on International Relations of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate.”.

SEC. 307. FOOD FOR PEACE (PL 480).

The Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) is amended—

(1) in section 2 (7 U.S.C. 1691), by striking paragraph (2) and inserting the following:

“(2) promote broad-based, equitable, and sustainable development, including agricultural development as well as conflict prevention;”;

(2) in section 202(e)(1) (7 U.S.C. 1722(e)(1)), by striking “not less than \$10,000,000, and not more than \$28,000,000” and inserting “not less than 5 percent and not more than 10 percent of such funds”;

(3) in section 203(a) (7 U.S.C. 1723(a)), by striking “the recipient country, or in a country” and inserting “one or more recipient countries, or one or more countries”;

(4) in section 203(c) (7 U.S.C. 1723(c))—

(A) by striking “foreign currency”; and

(B) by striking “the recipient country, or in a country” and inserting “one or more recipient countries, or one or more countries”; and

(5) in section 203(d) (7 U.S.C. 1723(d))—

(A) by striking “Foreign currencies” and inserting “Proceeds”;

(B) in paragraph (2)—

(i) by striking “income generating” and inserting “income-generating”; and

(ii) by striking “the recipient country or within a country” and inserting “one or more recipient countries, or one or more countries”; and

(C) in paragraph (3), by inserting a comma after “invested” and “used”;

(6) in section 204(a)(1) (7 U.S.C. 1724(a)(1))—

(A) by striking “1996 through 2002” and inserting “2002 through 2007”; and

(B) by striking “2,025,000” and inserting “2,250,000”;

(7) in section 205(f) (7 U.S.C. 1725(f)), by striking “2002” and inserting “2007”;

(8) in section 207(a) (7 U.S.C. 1726a(a))—

(A) by redesignating paragraph (2) as paragraph (3); and

(B) by striking paragraph (1) and inserting the following:

“(1) RECIPIENT COUNTRIES.—A proposal to enter into a non-emergency food assistance agreement under this title shall identify the recipient country or countries subject to the agreement.

“(2) TIME FOR DECISION.—Not later than 120 days after receipt by the Administrator of a proposal sub-

mitted by an eligible organization under this title, the Administrator shall make a decision concerning such proposal.”; and

(9) in section 403 (7 U.S.C. 1733), by inserting after subsection (k) the following:

“(1) SALES PROCEDURES.—Subsections (b) and (h) shall apply to sales of commodities to generate proceeds for titles II and III of this Act, section 416(b) of the Agricultural Act of 1949, and section 1110 of the Food and Security Act of 1985. Such sales transactions may be in United States dollars and other currencies.”.

SEC. 308. EMERGING MARKETS.

Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5622 note) is amended—

(1) in subsections (a) and (d)(1)(A)(i), by striking “2002” and inserting “2007”; and

(2) in subsection (d)(1)(H), by striking “\$10,000,000 in any fiscal year” and inserting “\$15,000,000 for each of fiscal years 2002 through 2007”.

SEC. 309. BILL EMERSON HUMANITARIAN TRUST.

Subsections (b)(2)(B)(i), (h)(1), and (h)(2) of section 302 of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f-1) are each amended by striking “2002” each place it appears and inserting “2007”.

SEC. 310. FEE FOR SERVICES.

(a) AUTHORITY TO CHARGE FEE.—The Secretary of Agriculture may, subject to subsection (c), charge and retain a fee to cover the costs for providing persons (other than an agency of the United States Government) with commercial services performed abroad on matters within the authority of the Department of Agriculture administered through the Foreign Agricultural Service or any successor agency.

(b) TREATMENT OF FEES.—Fees collected under the authority of subsection (a) shall be deposited as an offsetting collection to any Department of Agriculture appropriation account to recover the cost of providing commercial services.

(c) COMPLIANCE WITH BUDGET ACT.—Fees collected under the authority of subsection (a) shall be collected and available to the Secretary of Agriculture only to such extent or in such amounts as are provided in advance in an appropriations Act and, after so provided in an appropriations Act, shall remain available until expended.

SEC. 311. MULTIYEAR AGRICULTURAL TRADE STRATEGY.

(a) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the Secretary of Agriculture shall develop and implement a comprehensive long-term agricultural trade strategy that meets the goals described in subsection (b).

(b) GOALS.—The agricultural trade strategy described in subsection (a) shall ensure—

(1) the elimination of export subsidies and other measures that distort agricultural trade in order to reduce levels of protection, foster market growth, and promote global food security;

(2) the efficient and coordinated use of United States Government programs designed to promote the export of United States agricultural commodities; and

(3) the improvement in the commercial potential of markets in both developed and developing countries for United States agricultural commodities.

(c) **POLICY COORDINATION.**—In implementing the agricultural trade strategy described in subsection (a), the Secretary shall consult with—

(1) the United States Trade Representative to ensure that the strategy is coordinated with the national trade policy agenda and the annual report of the President on the trade agreements program;

(2) the Secretary of Commerce to ensure that all the programs and activities of the Foreign Agricultural Service of the Department of Agriculture are coordinated with the programs and activities of the United States and Foreign Commercial Service of the Department of Commerce; and

(3) each of the designated representatives of 19 Federal agencies included on the Trade Promotion Coordinating Committee to coordinate and report on government-wide United States export promotion, financing, and policy activities.

(d) **REPORT.**—Not later than one year after the date of the enactment of this Act, the Secretary shall submit to the designated congressional committees a report on the development and implementation of the comprehensive long-term agricultural trade strategy under this section.

(e) **DEFINITION.**—In this section, the term “designated congressional committees” means the Committee on Agriculture and the Committee on International Relations of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate.

SEC. 312. GEORGE MCGOVERN-ROBERT DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM.

(a) **IN GENERAL.**—In fiscal year 2002 or any subsequent fiscal year during which the President determines to use the authority of section 416(b) of the Agricultural Act of 1949 (hereinafter in this section referred to as “section 416(b)”) to initiate, continue, and expand—

(1) preschool and school feeding programs to improve food security, reduce the incidence of hunger, and improve literacy and primary education, particularly with respect to girls; and

(2) maternal, infant, and child nutrition programs for pregnant women, nursing mothers, infants, and children who are five years of age or younger;

the President shall direct the purchase of commodities and the provision of financial and technical assistance to carry out such programs.

(b) ELIGIBLE COMMODITIES AND COST ITEMS.—Notwithstanding any other provision of law—

(1) any agricultural commodity is eligible for distribution under this section;

(2) the Commodity Credit Corporation shall purchase agricultural commodities for use under this section if its stocks are not sufficient to meet commitments entered into under this section;

(3) as necessary to achieve the purposes of this section—

(A) Commodity Credit Corporation funds shall be used to pay the transportation costs incurred in moving commodities (including prepositioned commodities) provided under this section from the designated points of entry or ports of entry of one or more recipient countries to storage and distribution sites in these countries, and associated storage and distribution costs;

(B) Commodity Credit Corporation funds shall be used to pay the costs of activities conducted in the recipient countries by a nonprofit voluntary organization, cooperative, or intergovernmental agency or organization that would enhance the effectiveness of the activities implemented by such entities under this section; and

(C) Commodity Credit Corporation funds shall be provided to meet the allowable administrative expenses of private voluntary organizations, cooperatives, or intergovernmental organizations which are implementing activities under this section; and

(4) for the purposes of this section, the term “agricultural commodities” includes any agricultural commodity, or the products thereof, produced in the United States.

(c) GENERAL AUTHORITIES.—The President shall designate one or more Federal agencies to—

(1) implement the program established under this section;

(2) ensure that the program established under this section is consistent with the foreign policy and development assistance objectives of the United States; and

(3) consider, in determining whether a country should receive assistance under this section, whether the government of the country is taking concrete steps to improve the preschool and school systems in its country.

(d) ELIGIBLE RECIPIENTS.—Assistance may be provided under this section to private voluntary organizations, cooperatives, intergovernmental organizations, governments and their agencies, and other organizations.

(e) PROCEDURES.—

(1) IN GENERAL.—The President shall assure that procedures are established that—

(A) provide for the submission of proposals by eligible recipients, each of which may include one or more recipient countries, for commodities and other assistance under this section;

(B) provide for eligible commodities and assistance on a multi-year basis;

(C) ensure eligible recipients demonstrate the organizational capacity and the ability to develop, implement, monitor, report on, and provide accountability for activities conducted under this section;

(D) provide for the expedited development, review, and approval of proposals submitted in accordance with this section;

(E) ensure monitoring and reporting by eligible recipients on the use of commodities and other assistance provided under this section; and

(F) allow for the sale or barter of commodities by eligible recipients to acquire funds to implement activities that improve the food security of women and children or otherwise enhance the effectiveness of programs and activities authorized under this section.

(2) PRIORITIES FOR PROGRAM FUNDING.—In carrying out paragraph (1) with respect to criteria for determining the use of commodities and other assistance provided for programs and activities authorized under this section, the implementing agency shall consider the ability of eligible recipients to—

(A) identify and assess the needs of beneficiaries, especially malnourished or undernourished mothers and their children who are five years of age or younger, and school-age children who are malnourished, undernourished, or do not regularly attend school;

(B)(i) in the case of preschool and school-age children, target low-income areas where children's enrollment and attendance in school is low or girls' enrollment and participation in preschool or school is low, and incorporate developmental objectives for improving literacy and primary education, particularly with respect to girls; and

(ii) in the case of programs to benefit mothers and children who are five years of age or younger, coordinate supplementary feeding and nutrition programs with existing or newly-established maternal, infant, and children programs that provide health-needs interventions, and which may include maternal, prenatal, and postnatal and newborn care;

(C) involve indigenous institutions as well as local communities and governments in the devel-

opment and implementation to foster local capacity building and leadership; and

(D) carry out multiyear programs that foster local self-sufficiency and ensure the longevity of recipient country programs.

(f) **USE OF FOOD AND NUTRITION SERVICE.**—The Food and Nutrition Service of the Department of Agriculture may provide technical advice on the establishment of programs under subsection (a)(1) and on their implementation in the field in recipient countries.

(g) **MULTILATERAL INVOLVEMENT.**—The President is urged to engage existing international food aid coordinating mechanisms to ensure multilateral commitments to, and participation in, programs like those supported under this section. The President shall report annually to the Committee on International Relations and the Committee on Agriculture of the United States House of Representatives and the Committee on Foreign Relations and the Committee on Agriculture, Nutrition, and Forestry of the United States Senate on the commitments and activities of governments, including the United States government, in the global effort to reduce child hunger and increase school attendance.

(h) **PRIVATE SECTOR INVOLVEMENT.**—The President is urged to encourage the support and active involvement of the private sector, foundations, and other individuals and organizations in programs assisted under this section.

(i) **COOPERATION WITH OTHER GOVERNMENT AGENCIES.**—Notwithstanding section 11 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714i), Commodity Credit Corporation funds may be used to pay the administrative expenses of any agency of the Federal Government, including any bureau, office, administration, or agency of the Department of Agriculture, implementing or assisting in the implementation of this section.

SEC. 313. FARMERS FOR AFRICA AND CARIBBEAN BASIN PROGRAM.

(a) **FINDINGS.**—Congress finds the following:

(1) Many African farmers and farmers in Caribbean Basin countries use antiquated techniques to produce their crops, which result in poor crop quality and low crop yields.

(2) Many of these farmers are losing business to farmers in European and Asian countries who use advanced planting and production techniques and are supplying agricultural produce to restaurants, resorts, tourists, grocery stores, and other consumers in Africa and Caribbean Basin countries.

(3) A need exists for the training of African farmers and farmers in Caribbean Basin countries and other developing countries in farming techniques that are appropriate for the majority of eligible farmers in African or Caribbean countries, including standard growing practices, insecticide and sanitation procedures, and other farming methods that will produce

increased yields of more nutritious and healthful crops.

(4) African-American and other American farmers, as well as banking and insurance professionals, are a ready source of agribusiness expertise that would be invaluable for African farmers and farmers in Caribbean Basin countries.

(5) A United States commitment is appropriate to support the development of a comprehensive agricultural skills training program for these farmers that focuses on—

(A) improving knowledge of insecticide and sanitation procedures to prevent crop destruction;

(B) teaching modern farming techniques, including the identification and development of standard growing practices and the establishment of systems for recordkeeping, that would facilitate a continual analysis of crop production;

(C) the use and maintenance of farming equipment that is appropriate for the majority of eligible farmers in African or Caribbean Basin countries;

(D) expansion of small farming operations into agribusiness enterprises through the development and use of village banking systems and the use of agricultural risk insurance pilot products, resulting in increased access to credit for these farmers; and

(E) marketing crop yields to prospective purchasers (businesses and individuals) for local needs and export.

(6) The participation of African-American and other American farmers and American agricultural farming specialists in such a training program promises the added benefit of improving access to African and Caribbean Basin markets for American farmers and United States farm equipment and products and business linkages for United States insurance providers offering technical assistance on, among other things, agricultural risk insurance products.

(7) Existing programs that promote the exchange of agricultural knowledge and expertise through the exchange of American and foreign farmers have been effective in promoting improved agricultural techniques and food security, and, thus, the extension of additional resources to such farmer-to-farmer exchanges is warranted.

(b) DEFINITIONS.—In this section:

(1) AGRICULTURAL FARMING SPECIALIST.—The term “agricultural farming specialist” means an individual trained to transfer information and technical support relating to agribusiness, food security, the mitigation and alleviation of hunger, the mitigation of agricultural and farm risk, maximization of crop yields, agri-

cultural trade, and other needs specific to a geographical location as determined by the Secretary.

(2) CARIBBEAN BASIN COUNTRY.—The term “Caribbean basin country” means a country eligible for designation as a beneficiary country under section 212 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702).

(3) ELIGIBLE FARMER.—The term “eligible farmer” means an individual owning or working on farm land (as defined by a particular country’s laws relating to property) in the sub-Saharan region of the continent of Africa, in a Caribbean Basin country, or in any other developing country in which the Secretary determines there is a need for farming expertise or for information or technical support described in paragraph (1).

(4) PROGRAM.—The term “Program” means the Farmers for Africa and Caribbean Basin Program established under this section.

(c) ESTABLISHMENT OF PROGRAM.—The President shall establish a grant program, to be known as the “Farmers for Africa and Caribbean Basin Program”, to assist eligible organizations in carrying out bilateral exchange programs whereby African-American and other American farmers and American agricultural farming specialists share technical knowledge with eligible farmers regarding—

- (1) maximization of crop yields;
- (2) use of agricultural risk insurance as financial tools and a means of risk management (as allowed by Annex II of the World Trade Organization rules);
- (3) expansion of trade in agricultural products;
- (4) enhancement of local food security;
- (5) the mitigation and alleviation of hunger;
- (6) marketing agricultural products in local, regional, and international markets; and
- (7) other ways to improve farming in countries in which there are eligible farmers.

(d) ELIGIBLE GRANTEES.—The President may make a grant under the Program to—

- (1) a college or university, including a historically black college or university, or a foundation maintained by a college or university; and
- (2) a private organization or corporation, including grassroots organizations, with an established and demonstrated capacity to carry out such a bilateral exchange program.

(e) TERMS OF PROGRAM.—(1) It is the goal of the Program that at least 1,000 farmers participate in the training program by December 31, 2005, of which 80 percent of the total number of participating farmers will be African farmers or farmers in Caribbean Basin countries and 20 percent of the total number of participating farmers will be American farmers.

(2) Training under the Program will be provided to eligible farmers in groups to ensure that information is shared and passed on to other eligible farmers. Eligible

farmers will be trained to be specialists in their home communities and will be encouraged not to retain enhanced farming technology for their own personal enrichment.

(3) Through partnerships with American businesses, the Program will utilize the commercial industrial capability of businesses dealing in agriculture to train eligible farmers on farming equipment that is appropriate for the majority of eligible farmers in African or Caribbean Basin countries and to introduce eligible farmers to the use of insurance as a risk management tool.

(f) SELECTION OF PARTICIPANTS.—(1) The selection of eligible farmers, as well as African-American and other American farmers and agricultural farming specialists, to participate in the Program shall be made by grant recipients using an application process approved by the President.

(2) Participating farmers must have sufficient farm or agribusiness experience and have obtained certain targets regarding the productivity of their farm or agribusiness.

(g) GRANT PERIOD.—The President may make grants under the Program during a period of 5 years beginning on October 1 of the first fiscal year for which funds are made available to carry out the Program.

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$10,000,000 for each of fiscal years 2002 through 2007.

SEC. 314. INTERNATIONAL FOOD RELIEF PARTNERSHIP.

(a) ASSISTANCE FOR STOCKPILING AND RAPID TRANSPORTATION, DELIVERY, AND DISTRIBUTION OF SHELF-STABLE PREPACKAGED FOODS.—Section 208(f) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1726b(f)) is amended by striking “fiscal years 2001 and 2002” and inserting “fiscal years 2001 through 2007”.

(b) PREPOSITIONING OF COMMODITIES.—Section 407(c)(4) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736a(c)(4)) is amended by striking “fiscal years 2001 and 2002” and inserting “each of fiscal years 2001 through 2007”.

SEC. 315. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish an export assistance program (referred to in this section as the “program”) to address unique barriers that prohibit or threaten the export of United States specialty crops.

(b) PURPOSE.—The program shall provide direct assistance through public and private sector projects and technical assistance to remove, resolve, or mitigate sanitary and phytosanitary and related barriers to trade.

(c) PRIORITY.—The program shall address time sensitive and strategic market access projects based on—

- (1) trade effect on market retention, market access, and market expansion; and
- (2) trade impact.

(d) FUNDING.—The Secretary shall make available \$3,000,000 for each of fiscal years 2002 through 2007 of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation.

In section 461(c)(3)(A)(iii) of the bill, strike “Congress” and insert “the appropriate congressional committees”.

In section 461(d)(3)(C)(ii) of the bill, insert after the final period the following: “Not less than one year of the Fellowship shall be dedicated to fulfilling the requirement of subparagraph (B)(i)(I).”.

In section 461(d)(3)(D)(ii)(V) of the bill, strike “and” at the end.

In section 461(d)(3)(D)(ii)(VI) of the bill, strike the period and insert “; and”.

In section 461(d)(3)(D)(ii) of the bill, add at the end the following:

(VII) such other attributes as determined to be appropriate by the Board of Trustees.

In section 461(f)(4)(C) of the bill, strike “Congress” the second place it appears and insert “appropriate congressional committees”.

In section 461(h) of the bill, strike “Congress” and insert “the appropriate congressional committees”.

In section 461 of the bill, add at the end the following:

(j) DEFINITION.—In this section, the term “appropriate congressional committees” means—

(1) the Committee on Agriculture and the Committee on International Relations of the House of Representatives; and

(2) the Committee on Agriculture, Nutrition and Forestry and the Committee on Foreign Relations of the Senate.

PURPOSE AND SUMMARY

The principal purpose of the Committee’s consideration of title III of H.R. 2646, “The Farm Security Act of 2001” was (1) the reform of procedures and policies relating to international food assistance programs which are administered jointly by the United States Agency for International Development, USAID, and the United States Department of Agriculture, USDA, including, in particular, a discretionary authority for a global school feeding program with developmental objectives designed to improve literacy and primary education, particularly with respect to girls, and (2) ensuring proper oversight of and funding levels for U.S. agricultural promotion programs. The Committee is authorizing these programs through 2007 because there are several new programs being permanently authorized and others that are being reformed and brought up to date. In addition to the need to monitor the progress of these programs, the dynamic nature of the trade and food assistance environments demand a shorter review than 10 years for these programs.

BACKGROUND AND NEED FOR THE LEGISLATION

The goal of the Committee is to ensure that the food and development objectives of the U.S. Government are well coordinated with all of the private voluntary organizations that administer the emergency and non-emergency food assistance programs. In addition, it would like to see more simplified and expedited food aid delivery services. The challenge confronting the Committee is to ensure that food aid reaches its intended recipients without disrupting local agricultural production and creating a permanent dependence on U.S. food aid. The provisions in the bill provide authority to fund multi-country food aid programs, provide greater flexibility in using any currency in food aid transactions and encourage streamlined approval of food aid proposals.

In addition, the Committee proposes some funding increases for several key agricultural export promotion programs operated by the Foreign Agricultural Service, FAS, of the U.S. Department of Agriculture with the goal of opening markets for agriculture to benefit the entire U.S. economy. Expanding existing market access and opening new markets will significantly boost U.S. agricultural export sales. Close to one third of our farm and food system is geared toward serving these overseas markets and U.S. agriculture is one of the few sectors of our economy that consistently enjoys a trade surplus.

The Committee proposes funding increases for the Market Access Program, the Foreign Market Development Cooperator Program and the Emerging Markets Program and a reauthorization period through 2007 designed to ensure close oversight and scrutiny of these programs. In addition, it provides the FAS with additional policy guidance and authorities designed to ensure that it can meet the emerging threats to our overseas markets while it can more effectively coordinate its export promotion activities with all other government agencies.

The Committee also establishes a program to complement the bilateral exchange programs which are currently being administered by USDA and USAID. The existing programs bring together American farmers with their Sub-Saharan African and Caribbean counterparts to share expertise and experiences. The Committee's proposed program provides technical advice and training to farmers in African and Caribbean Basin countries and other developing countries in farming techniques that are appropriate for the majority of eligible farmers in these countries. Such techniques include modern pre- and post-harvest techniques for standardization of quality assurance purposes, systematic development of efficient indigenous growing practices, insecticide and sanitation procedures, and "organic" farming methods that consistently increase yields of nutritious crops.

HEARINGS

While the Committee was unable to hold any hearings prior to the consideration of the amendment to H.R. 2646 owing to the urgent need to report the bill prior to its consideration by the House, extensive briefings were held with representatives from farm and commodity groups, private voluntary organizations and with Administration officials from the Department of Agriculture and the

Agency for International Development on food aid and agricultural export promotion programs included in the amendment.

COMMITTEE CONSIDERATION

H.R. 2646 was introduced by Representative Combest on July 26, 2001, and was referred to the House Committee on Agriculture. On August 2, 2001, the Committee on Agriculture favorably reported the bill to the House (H. Rept. 107–191, Part I). On August 31, 2001, a supplemental report was filed by the Committee on Agriculture (H. Rept. 107–191, Part II). On August 2, 2001, H.R. 2646 was sequentially referred to the House Committee on International Relations for a period ending not later than September 7, 2001, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of the Committee.

On September 6, 2001, the Committee met in open session and ordered favorably reported the bill H.R. 2646, with amendment, by voice vote, a quorum being present.

The Committee adopted three amendments. The first was an amendment en bloc offered by Chairman Hyde. The second amendment, offered by Mr. Bereuter to the Hyde amendment, ensures that the Agency for International Development keeps in place its current requirement mandating that value-added commodities comprise no less than 75% of non-emergency P.L. 480, title II food aid. The Bereuter amendment was agreed to by voice vote.

Mr. Blumenauer offered the third amendment, an amendment to the Hyde amendment which strikes Sec. 301(b) of the Hyde amendment. The Hyde amendment incorporated a provision inserted by the Agriculture Committee allowing leaf tobacco to be included as an eligible commodity under the Market Access Program. The Blumenauer amendment was agreed to by a record vote of 24 ayes to 7 noes.

The Hyde en bloc amendments, as amended, were agreed to by voice vote.

VOTES OF THE COMMITTEE

Clause (3)(b) of rule XIII of the Rules of the House of Representatives requires that the results of each record vote on an amendment or motion to report, together with the names of those voting for or against, be printed in the committee report.

Mr. Blumenauer offered an amendment to the Hyde amendment which strikes Sec. 301(b) of the Hyde amendment. The amendment was agreed to by a record vote of 24 ayes to 7 noes.

Voting yes: Hyde, Gilman, Leach, Bereuter, Smith (NJ), Chabot, Paul, Pitts, Issa, Flake, Davis (VA), Lantos, Ackerman, Brown, Wexler, Engel, Meeks, Lee, Crowley, Hoeffel, Blumenauer, Berkley, Napolitano, and Schiff.

Voting no: Ros-Lehtinen, Ballenger, Burr, Smith (MI), Cantor, Kerns, and Hilliard.

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee reports that the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Rep-

representatives, are incorporated in the descriptive portions of this report.

NEW BUDGET AUTHORITY AND TAX EXPENDITURES

Clause 3(c)(2) of House Rule XIII is inapplicable because this legislation does not provide new budgetary authority or increased tax expenditures.

COMMITTEE COST ESTIMATE

In compliance with clause 3(d)(2) of rule XIII of the Rules of the House of Representatives, the Committee believes that the Amendment to H.R. 2646 would have no cost for the current fiscal year, and that it would result in approximately \$667 million in budget authority and outlays between fiscal years 2002 through 2007.

PERFORMANCE GOALS AND OBJECTIVES

The goals and objectives are limited to those sections of title III and IV that are being marked up by the Committee on International Relations.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds the authority for this legislation in article I, section 8, clause 18 of the Constitution (relating to making all laws necessary and proper for carrying into execution powers vested by the Constitution in the government of the United States)..

SECTION-BY-SECTION ANALYSIS AND DISCUSSION

Section 301. Market Access Program.

The Market Access Program, MAP, is designed to encourage the creation, maintenance and expansion of foreign markets for U.S. agricultural, fish, and forests products. MAP operates through public-private partnerships among non-profit U.S. agricultural trade associations, U.S. agricultural cooperatives, non-profit state-regional trade groups, small and medium sized U.S. businesses, and the Commodity Credit Corporation of the U.S. Department of Agriculture to share the costs of overseas marketing and promotional activities such as consumer promotions, market research, trade shows, and trade services.

Each year, MAP helps launch and expand sales of a wide variety of U.S. agricultural, fish and forest products overseas. Since its inception, the program has been used to transform a potential market to a consuming market and to ensure that mature markets continue to see expansion of U.S. agricultural products. In combination with programs under the Foreign Market Development Program, it has been used in the past, for example, to educate consumers abroad about health risks and those measures taken by the U. S. to protect against BSE, thereby assuring continued expansion of U.S. meat exports.

First established as the Targeted Export Assistance, TEA, the Committee had a role in reauthorizing the program in the 1990 Farm Bill as the Market Promotion Program and ensuring in sub-

sequent years that it was used to help U.S. agricultural producers and industries overcome the unfair trading practices of its international trading competitors. The Committee supports the proposed funding increase for MAP to \$180 million per year for the period 2002 through 2007. This proposed increase would bring the program back very close to the funding level attained 15 years ago in 1986, ensuring that we can begin to compete more effectively with the member states of the European Union and the Cairns Group.

Our competitors' investment in market development is much larger and has grown faster since the Uruguay Trade Round with the U.S. being regularly outspent by our trading competitors on a magnitude of 4 to 1. Increases in agriculture export market development spending have been especially noteworthy for the Cairns Group which alone spent \$592 million on market development in 1998 compared to \$295 million for the U.S.

In light of the unprecedented market access and market development challenges facing U.S. agriculture and U.S. agricultural exports from our trading competitors, the Committee recommends a 6-year authorization of this program and all other programs in this title.

The Committee notes the past controversies surrounding MAP and believes that its proposed funding increase and reauthorization should continue to receive close and periodic scrutiny and that a 10-year reauthorization period is too long to meet the potential challenges facing our agricultural exports in the next round of trade negotiations in the context of the World Trade Organization.

We must ensure that our market development programs can keep pace with the evolution of the global trading environment, especially with such major prospective developments as the Free Trade Area of the Americas due to be finalized in 2005, and the many potential threats that may emerge for U.S. agriculture in the future, and with any emerging threats to U.S. agricultural exports. We will need, for example, in the near future to address the market access, regulatory and marketing issues in agricultural biotechnology trade.

Section 302. Food for Progress.

The purpose of the Food for Progress program is to finance the sale and export of agricultural commodities on credit terms, or on a grant basis, to support developing countries and countries that are emerging democracies and have made commitments to introduce or expand free enterprise elements into their agricultural economies. Under the Food for Progress program, commodities may be provided under the authority of P.L. 480, title I, or section 416(b). Under certain conditions, the Commodity Credit Corporation (CCC) may also purchase commodities for use in Food for Progress programs if the commodities are currently not held by CCC. For commodities furnished on a grant basis, the CCC may pay, in addition to acquisition costs and ocean transportation, such related commodity and delivery charges.

The Food for Progress program is currently limited by a global 500,000 metric ton ceiling, by a \$30 million cap on non-commodity costs (primarily transportation) and by a \$10 million cap on administrative expenses.

The Committee recognizes the need for this program, since its inception in the 1985 Food Security Act. The goals of the program include making use of the food resources of United States agriculture in order to support countries that are committed to policies that promote economic freedom, private, domestic production of food commodities for domestic consumption and the creation of and expansion of domestic markets for the purchase and sale of these commodities.

The Committee determined that the amount of commodities provided through the Food for Progress program should increase and thereby the Committee increases the ceiling from 500,000 metric tons to 1,000,000 metric tons. Furthermore, the limit on transportation costs is increased to \$40 million per year and the limit on administrative costs to \$15 million per year so that additional commodities may be allocated to eligible countries. In addition, since the Food for Progress program allows for the use of commodities from P.L.480, title I, the Committee makes clear that the limitation on commodities for Food for Progress does not apply to commodities from P.L.480, title 1 that are used under the Food for Progress program.

The Committee is authorizing the use of U.S. dollars and other currencies for the monetization of commodities in recognition of the need to hedge against inflation and maintain the value of the proceeds of such sales in developing countries. In addition, the Committee recognizes that international financial transactions are increasingly negotiated using U.S. dollars and other hard currencies. Nevertheless, the Committee is mindful of the need to ensure that the proceeds of such sales are to be used only in the country in which the transaction is carried out unless otherwise authorized in the agreements executed between private voluntary organizations and other eligible organizations with USDA or USAID.

Efficient administration of the Food for Progress program is essential and therefore the Secretary is encouraged to make determinations regarding final program agreements and requests for this program before the beginning of the fiscal year. The Committee directs the Secretary to report, by November 1 of each fiscal year, on the programs, countries and commodities approved for the Food for Progress program for that fiscal year. Additionally the Secretary will include in that report the amount of funds approved for transportation and administrative costs.

Section 303. Surplus Commodities for Developing or Other Friendly Countries.

This section amends section 416(b) of the Agricultural Act of 1967 and authorizes the Secretary to allow the Commodity Credit Corporation to provide funds to nonprofit and voluntary organizations and cooperatives for the administration, monitoring and implementation of technical assistance and logistics related to food assistance programs under this section.

The Committee is authorizing the use of U.S. dollars and other currencies for the monetization of commodities in recognition of the need to hedge against inflation and maintain the value of the proceeds of such sales in developing countries. In addition, the Committee recognizes that international financial transactions are increasingly negotiated using U.S. dollars and other hard currencies.

Nevertheless, the Committee is mindful of the need to ensure that the proceeds of such sales are to be used only in the country in which the transaction is carried out unless otherwise authorized in the agreements executed between private voluntary organizations and other eligible organizations with USDA or USAID.

The Committee is requiring the Secretary to publish in the Federal Register by October 31 of each fiscal year an estimate of the total commodities available under this section for that fiscal year and encourages the Secretary to finalize program agreements by December 31 of each fiscal year. The Committee recognizes that any estimates are likely to change through out the course of the year and that availability of additional commodities may make it difficult to meet set deadlines. However, the Committee feels such information will assist the Private Voluntary Organizations and International Organizations community in making programmatic and administrative decisions.

Section 304. Export Enhancement Program.

The Export Enhancement Act (EEP) is reauthorized at the maximum level of \$478 million through fiscal year 2007. Operated under the authority of the 1978 Agricultural Trade Act, the Uruguay Round Agreements Act and the Federal Agriculture Improvement and Reform Act of 1996, this program allows the USDA through the Commodity Credit Corporation to provide bonuses to make U.S. commodities more competitive and to offset the adverse effects of unfair trade practices. Consistent with the quantity limitations of the Uruguay Round Agreement on Agriculture, the program provides for limited allocations of certain commodities in countries impacted by unfair trade practices or subsidies. Eligible commodities for EEP include wheat, wheat flour, rice, frozen poultry, barley, barley malt, table eggs and vegetable oil.

Section 305. Foreign Market Development Cooperator Program

The Foreign Market Development (Cooperator) Program uses CCC funds to aid in the creation and expansion of long-term export markets for U.S. agricultural products. The program functions as a trade promotion partnership between the U. S. Department of Agriculture's Foreign Agricultural Service and agricultural producers and processors who are represented by non-profit commodity or trade associations called Cooperators. Under this partnership, where industry contributions now exceed those from the USDA, the government and the private sector pool their technical and financial resources to develop foreign markets and remove trade barriers of all types.

Agricultural exports are important to the overall economy and in fiscal year 1999 they totaled \$49 billion, generating some 750,000 full-time jobs, and more than one million full and part-time jobs, relating to the production, processing and distribution of agricultural products for export. They are on average better paying jobs than those in the non-export sector.

All regions of the country benefit from this program which remains underfunded in its efforts to maintain existing market share in established markets and to develop new markets for a wide range of commodities. The Committee would note proposed European Union guidelines on biotechnology in agriculture are likely in-

consistent with World Trade Organization obligations and could result in billions of dollars of lost U.S. exports.

The Committee believes that the Cooperator program plays an important and growing role in promoting US agricultural exports. The Committee has therefore recommended increasing program funding to \$40 million annually through fiscal year 2007 in part to assist such new industries as biotechnology in identifying and overcoming any potential tariff and non-tariff barriers that they may face in exporting their products.

Program supporters point out that a minimum program level of \$43.25 million is needed to give this program the same level of funding as was provided some 15 years ago in 1986.

Section 306. Export Credit Guarantee Program.

The Export Credit Guarantee Program (sec. 211 (b)(1) of the Agricultural Trade Act of 1978) is reauthorized at current levels through 2007. In addition, CCC will continue the requirement that not less than 35 percent of the export credit guarantees issued be used to promote the export of processed or high-value agricultural exports.

The Committee notes that GSM usage continues well below the statutory minimum of \$5.5 billion in guarantees required each year. The export credit guarantee programs, GSM-102 and GSM-103, were designed to facilitate sales of United States agricultural exports and have always enjoyed the enthusiastic support of the Committee.

The ongoing negotiations in the Organization for Economic Cooperation and Development (OECD) raise several concerns about whether these programs will remain viable for supporting exports of United States agricultural products. This section provides for an annual report on the status of negotiations regarding export credit programs at the World Trade Organization and the Organization for Economic Cooperation and Development. The Committee would expect that any classified or sensitive information about these negotiations be provided in a classified annex to this report.

Section 307. Food for Peace (P.L. 480).

The Committee reauthorizes the Food for Peace and the International Food Relief Partnership Act through 2007, increases the minimum level of commodities under this section from 2,025,000 metric tons to 2,250,000 metric tons and provides several additional authorities and program modifications including mandating of minimum and maximum percentage levels for the funding for transportation, storage and handling of P.L. 480 commodities; authority to fund multi-country programs; greater flexibility in using any currency in food aid transactions; and provision for expedited and streamlined approval and sales procedures and for the issuance of implementing regulations.

The Committee strongly encourages USAID to consult with private voluntary organizations and other eligible organizations on any proposed policy directives prior to their issuance by the agency. While the Committee is cognizant of the prerogatives of USAID to formulate U.S. policies and procedures with regard to the implementation and administration of U.S. food assistance programs, it is also important that USAID consult on a timely and regular basis

with private voluntary organizations and other eligible organizations on changes to policies and procedures that could affect ongoing food assistance programs that are administered by private voluntary and other eligible organizations.

The Committee authorizes the use of U.S. dollars and other currencies for the monetization of commodities in recognition of the need to hedge against inflation and maintain the value of the proceeds of such sales in developing countries. In addition, the Committee recognizes that international financial transactions are increasingly negotiated using U.S. dollars and other hard currencies. Nevertheless, the Committee is mindful of the need to ensure that the proceeds of such sales are to be used only in the country in which the transaction is carried out unless otherwise authorized in the agreements executed between private voluntary and other eligible organizations and USAID.

The Committee strongly recommends that the Department of Agriculture consult with USAID on best practices in the implementation of microfinance programs and that it participate in the preparation of the President's Report to Congress on international microfinance programs as required by P.L. 106-309.

The Committee understands that there may be benefits to monetization of emergency food commodities to help meet emergency humanitarian needs. The Committee encourages the Administrator of USAID to examine possible increases in the amount of emergency food commodities that are monetized, or sold, with the sales proceeds to be used to meet emergency humanitarian needs, including famine relief. The purpose of this approach is the stabilization of commodity prices in the area undergoing the emergency. The Committee expects to be consulted by the Agency as this policy idea develops.

The Committee also encourages a linkage between Food Aid programs and HIV/AIDS programs. The global AIDS pandemic is one of the greatest humanitarian, economic, social and national security threats of our time. In particular, in addressing the AIDS crisis in sub-Saharan Africa and other affected regions, the Committee encourages a multi-sectoral and multi-faceted strategy that incorporates food aid programs. Despite progress in recent years, sub-Saharan Africa enters the new millennium with many of the world's poorest countries; it is an area of the world where hunger is both pervasive and increasing. Nearly half of sub-Saharan Africa's total population lives on less than \$1 a day. One out of seven children dies before their fifth birthday; half of these deaths are due to malnutrition. Further exacerbating these challenges is the toll of HIV/AIDS and other diseases. As AIDS impacts the continent of Africa, lack of adequate nutrition also impacts the ability of people living with HIV/AIDS to manage their AIDS-related illnesses. Malnutrition is a factor which accelerates the rate of AIDS-related complications and disease progression. The Committee encourages the targetting of food aid resources toward persons or groups affected by HIV/AIDS. The Committee also encourages the Administration to examine, develop, and implement long term agricultural strategies in the context of addressing the AIDS crisis. The Committee supports programming that seeks to incorporate HIV/AIDS nutritional support strategies.

The Committee has included a provision that requires the Administrator of USAID to make a decision on program proposals received from private voluntary and other eligible organizations not later than 120 days after receipt of a proposal by the Administrator. Receipt of a proposal by the Administrator shall mean the first receipt of a proposal by either USAID headquarters or field missions and does not preclude the Administrator from consulting with field missions on any proposal submitted by a private voluntary or eligible organization whether or not such proposal was submitted to a USAID headquarters or field mission.

Section 308. Emerging Markets.

The Emerging Markets Program is designed to foster growth in U.S. agricultural exports in low to middle income countries that offer viable markets for U.S. agricultural products. Originally authorized by the Food, Agriculture, Conservation and Trade Act of 1990 and the FAIR Act of 1996, the program supports technical assistance that U.S. agricultural organizations undertake to improve market access and promote a wide variety of U.S. agricultural products in emerging markets. The Committee would note the growing number of potential viable projects that the Program Administrator could not approve over the past several years. The value of these submitted proposals now exceeds \$16 million.

The Committee supports an increase in the funding of this program from the CCC from \$10 to \$15 million per year through fiscal year 2007 to address, in part, the need for the development of potential markets for existing and new products, including speciality crops. Projects should include market research, risk assessment and technical training and other activities that can remove or mitigate the full range of tariff and non-tariff barriers facing U.S. agricultural exports in emerging markets. Several success stories illustrate the value of this program:

In cooperation with the Southern United States Trade Association (SUSTA), the Emerging Markets Program is continuing to fund the Export Readiness Training Program which provides export training for small and minority U.S. business interested in the export market. Approximately 30 companies have received training through this program. Many of them have used their training and are now pursuing export opportunities and accessing other FAS programs such as the Market Access Program to move and promote their products in various overseas markets. To date, ERT companies have entered markets in the Caribbean, Africa, South America and Central America.

In both Shanghai and Southeast Asia, the U.S. Meat Export Federation, using funds from the Emerging Markets Program, has provided training to target retailers and merchandisers to provide them with the knowledge they need to overcome problems and difficulties encountered in day-to-day operations. This program has served as an important means of introducing U.S. meat products and techniques to the Asian market. Numerous individuals have been trained through this program at the central training location and have been able to develop their knowledge and spread it throughout Asia while developing ties to the U.S. meat industry.

Section 309. Bill Emerson Humanitarian Trust.

The purpose of this section is to provide for a trust solely to meet emergency humanitarian food needs in developing countries. The Secretary of Agriculture is required to establish a trust stock of wheat, rice, corn, or sorghum, or any combination of the commodities totaling not more than 4 million metric tons. The Bill Emerson Humanitarian Trust Act is reauthorized through 2007.

Section 310. Fee for Services.

This section provides the Secretary of Agriculture with the authority to charge and retain a fee to cover the costs for providing persons with commercial services performed abroad through the Foreign Agricultural Service. Such fees would be deposited as an offsetting collection to a Department of Agriculture account, but they could only be collected and made available to the Secretary to the extent they are provided in advance in an appropriations act. The Committee believes that allowing the FAS to collect such limited fees could allow for a substantial increase in both the amount and quality in services provided to U.S. agricultural exporters.

It is the Committee's intention that this authority be discretionary and be put in place only to supplement and not replace any services currently offered overseas by FAS personnel. It should be implemented as part of an overall market development plan developed by the appropriate FAS officer in his or her country or region and should first be put in place on a pilot basis in a small number of overseas posts. The results should be carefully monitored and evaluated to ensure that its implementation does not disadvantage small and medium sized companies, including those new-to-export companies.

The fee for service authority can be used when and where appropriate to help match U.S. exporters with international buyers, distributors or other business partners. It could also be used, for example, to provide custom market research and for client facilitation services including interpretation, translation and courier services. The Committee would note that the fee for service authority is now in place for a number of USDA programs and activities and is used extensively by the Foreign and Commercial Service of the Department of Commerce.

Sec. 311. Multiyear Agricultural Trade Strategy.

The Committee directs the Secretary to prepare a long-range comprehensive agricultural trade strategy and to report to the designated congressional Committees on its development and implementation 1 year after the date of enactment of this Act. One of the intended goals of this trade strategy exercise is to ensure that all the market development resources available to the Foreign Agriculture Service are spent in a coordinated and targeted way to ensure that U.S. agricultural exports find new and expanded markets.

The creation of this overall strategy is intended to ensure that the FAS can fully address the market development deficiencies identified in the course of the annual FAS review and program analysis undertaken pursuant to the Government Performance and Review Act, GPRA, mandate. In light of the projected large increase in the funding of the Market Access Program, the FAS

should clearly identify how these resources could be used to provide support to short-term market development and market access goals in mature markets and long term market penetration objectives in newer and emerging markets.

Another important goal of this trade strategy exercise is the short term targeting of markets that are being placed at risk due to the EU as a result of its potentially trade distorting practices and large-scale “amber box” programs. In the medium and long-term, the USDA should closely coordinate with the U.S. Trade Representative and other relevant U.S. government agencies to ensure that the U.S. works with the members of the Cairns Group and other like-minded countries within the World Trade Organization to reduce the European agricultural export subsidies.

The Committee would also note that the NASDA MAP Evaluation Project submitted by Deloitte and Touche to the National Association of State Departments of Agriculture concluded that “there are a number of global challenges that could have better responses. These . . . include GMOs, U.S. grades, standards and inspection procedures, chemical residues, and managing the U.S. agricultural brand image. This will require more effective strategic planning, and careful identification of emerging issues.”

Section 312. George McGovern-Robert Dole International Food for Education and Child Nutrition Program.

In December 2000, the Administration launched a pilot program, the Global Food for Education Initiative (GFEI), to significantly increase resources for school feeding programs with the goal of significantly reducing hunger and increasing educational opportunity for the world’s neediest children. The pilot program consists of 49 projects in 38 countries to provide approximately 9 million children with at least one nutritious meal each day in a school setting. The Committee commends the U.S. Department of Agriculture for carrying out the pilot program on a very abbreviated timetable. The Committee also commends the private voluntary organizations, cooperatives, the United Nations World Food Program, the American farming community and commodity producers who responded so quickly in implementing these projects.

The Committee has retained the discretionary nature of the GFEI and included a number of modifications to strengthen its implementation if the President decides to continue the program. It has designated the program as the *George McGovern-Robert Dole International Food for Education and Child Nutrition Program*, in honor of the two former senators who inspired this global initiative. The Committee provides for the President to designate a Federal agency or agencies to carry out the program, allows for the purchase of any commodities, not just those in surplus, that would make these programs more effective, and to purchase commodities in non-surplus years in order to ensure the continuity of these school feeding programs. The Committee provides funds from the Commodity Credit Corporation (CCC) to be used for administrative costs, and transportation and storage of commodities in the recipient countries, thus confirming the action taken by the Congress on July 20, 2001, in the conference report to H.R. 2216, when additional funds were appropriated to cover these expenses for the pilot program. With respect to administrative costs, the Committee rec-

ommends that allowable administrative expenses for this program be determined in accord with similar food aid programs, such as Food for Progress, and that coverage of such expenses be provided equitably to all implementing entities.

The Committee requires that elements to ensure these programs longevity and self-sufficiency be incorporated into projects from the very beginning of implementation. It is neither the intent nor the expectation of the Committee for these programs to foster dependency, but rather that they lead over time to local self-sufficiency and longevity.

The Committee recognizes that the Administration is concluding a review of all food aid programs, including the GFEI. The Committee recommends that greater attention be placed on how the GFEI relates to and is coordinated with other foreign policy and development priorities—such as maternal child health programs, HIV/AIDS prevention and treatment, strengthening local agriculture, clean water, microenterprise and other development projects—in order to enhance the long-term viability and economic development of communities and regions where the GFEI is underway.

For long-term success, this initiative requires the engagement of the international community, other donor nations, and the private sector. The Committee is encouraged by recent reports that Italy, France, Canada and other nations have indicated concrete support for this effort through the United Nations World Food Program. The Committee urges the President to actively engage these sectors in a global effort to reduce hunger and increase educational opportunity among the world's neediest children.

The Committee emphasizes that the GFEI is subject to Federal laws and requirements to ensure that Federal commodity purchases neither disrupt U.S. domestic markets nor adversely affect local farmers in recipient countries. In addition, requirements on the use of U.S.-flag shipping also apply to the GFEI.

Section 313. Farmers for Africa and Caribbean Basin Program.

The bill establishes bilateral exchange programs where African-American and other American farmers and agricultural farming specialists provide eligible farmers in sub-Saharan and Caribbean countries with advice and assistance concerning farming practices, expansion of agricultural trade, and use of agricultural risk insurance.

The Committee authorizes the President to administer the programs with the expectation that the President will delegate his authority to the USDA and USAID, given their continuing involvement in similar programs.

Section 314. Food Relief Reauthorization.

This provision continues the authorization for an additional 5 years for the stockpiling, transportation, delivery, and distribution of shelf-stable prepackaged foods to needy individuals in foreign countries by private voluntary organizations and international organizations

Section 315. Technical Assistance for Speciality Crops.

The Committee is authorizing a new program to reduce the export barriers faced by U.S. producers of speciality crops, including fruits and vegetables. Currently, these producers face high tariff barriers in many of their potential export markets and a number of other obstacles including sanitary and phytosanitary regulations implemented in a discriminatory fashion.

The Committee is providing \$3 million for the years 2002 through 2007 to fund direct assistance as well as technical assistance efforts designed to increase market access for the export of speciality crops. Specific projects should focus on market development and market retention issues, risk assessment and technical training activities. Program activities should be coordinated as much as practical with any similar ongoing market access projects being undertaken by the Market Access Program.

Section 461. Hunger Fellowship Program

In addition, the Committee ensures that the Mickey Leland Hunger Fellowship Program focuses the attention of the fellows on field work, and provided interested Members of Congress with oversight capability.

NEW ADVISORY COMMITTEES

H.R. 2646 does not establish or authorize any new advisory Committees.

CONGRESSIONAL ACCOUNTABILITY ACT

H.R. 2646 does not apply to the legislative branch.

FEDERAL MANDATES

H.R.2646 provides no Federal mandates.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

The bill was referred to the Committee on Agriculture, and sequentially to the Committee on International Relations, for a period ending not later than September 7, 2001, for consideration of such provisions as fall within the jurisdiction of that Committee pursuant to clause 1(j), rule X.

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by that portion of the bill within the jurisdiction of the Committee on Agriculture, as reported, are shown in part 2 of this report and changes in existing law made by that portion of the bill within the jurisdiction of the Committee on International Relations, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

AGRICULTURAL TRADE ACT OF 1978

* * * * *

TITLE II—AGRICULTURAL EXPORT PROGRAMS

Subtitle A—Programs

* * * * *

SEC. 202. EXPORT CREDIT GUARANTEE PROGRAM.

(a) * * *

* * * * *

(k) PROCESSED AND HIGH-VALUE PRODUCTS.—

(1) IN GENERAL.—In issuing export credit guarantees under this section, the Commodity Credit Corporation shall, subject to paragraph (2), ensure that not less than 25 percent for each of fiscal years 1996 and 1997, 30 percent for each of fiscal years 1998 and 1999, and 35 percent for each of fiscal years 2000[, 2001, and 2002] *through 2007*, of the total amount of credit guarantees issued for a fiscal year is issued to promote the export of processed or high-value agricultural products and that the balance is issued to promote the export of bulk or raw agricultural commodities.

* * * * *

Subtitle B—Implementation

SEC. 211. FUNDING LEVELS.

(a) * * *

(b) EXPORT CREDIT GUARANTEE PROGRAMS.—

(1) EXPORT CREDIT GUARANTEES.—The Commodity Credit Corporation shall make available for each of fiscal years 1996 through [2002] *2007* not less than \$5,500,000,000 in credit guarantees under subsections (a) and (b) of section 202.

* * * * *

(c) MARKET ACCESS PROGRAMS.—The Commodity Credit Corporation or the Secretary shall make available for market access activities authorized to be carried out by the Commodity Credit Corporation under section 203—

(1) in addition to any funds that may be specifically appropriated to implement a market access program, not less than \$200,000,000 for each of the fiscal years 1991 through 1993, not less than \$110,000,000 for each of the fiscal years 1994 through 1995, [and not more] *not more* than \$90,000,000 for each of fiscal years 1996 through [2002,] *2001, and not more than \$180,000,000 for each of fiscal years 2002 through 2007*, of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation; and

* * * * *

(d) REPORT ON AGRICULTURAL EXPORT CREDIT PROGRAMS.—

(1) IN GENERAL.—*Not later than one year after the date of the enactment of the Farm Security Act of 2001, and annually thereafter, the Secretary shall prepare and submit to the des-*

ignated congressional committees a report on the status of multilateral negotiations regarding agricultural export credit programs at the World Trade Organization and the Organization of Economic Cooperation and Development in fulfillment of Article 10.2 of the Agreement on Agriculture (as described in section 101(d)(2) of the Uruguay Round Agreements Act). The report submitted under this paragraph shall be submitted in unclassified form, but may contain a classified annex.

(2) DEFINITION.—In this section, the term “designated congressional committees” means the Committee on Agriculture and the Committee on International Relations of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate.

* * * * *

TITLE III—EXPORT ENHANCEMENT PROGRAM

* * * * *

SEC. 301. EXPORT ENHANCEMENT PROGRAM.

(a) * * *

* * * * *

(e) FUNDING LEVELS.—

(1) IN GENERAL.—The Commodity Credit Corporation shall make available to carry out the program established under this section not more than—

(A) * * *

* * * * *

(G) \$478,000,000 for fiscal year 2002 and for each fiscal year thereafter through fiscal year 2007.

* * * * *

TITLE VII—FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM

* * * * *

SEC. 702. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

(a) * * *

* * * * *

(c) REPORT TO CONGRESS.—

(1) IN GENERAL.—The Secretary shall report annually to the appropriate congressional committees the amount of funding provided, types of programs funded, the value added products that have been targeted, and the foreign markets for those products that have been developed.

(2) DEFINITION.—In this subsection, the term “appropriate congressional committees” means—

(A) the Committee on Agriculture and the Committee on International Relations of the House of Representatives; and

(B) the Committee on Agriculture, Nutrition and Forestry and the Committee on Foreign Relations of the Senate.

SEC. 703. AUTHORIZATION OF APPROPRIATIONS.

(a) PRIOR YEARS.—There are authorized to be appropriated to carry out this title such sums as may be necessary for each of fiscal years 1996 through [2002] 2001.

(b) FISCAL 2002 AND LATER.—For each of fiscal years 2002 through 2007 there are authorized to be appropriated such sums as may be necessary to carry out this title, and, in addition to any sums so appropriated, the Secretary shall use \$40,000,000 of the funds of, or an equal value of the commodities of, the Commodity Credit Corporation to carry out this title.

* * * * *

SECTION 1110 OF THE FOOD SECURITY ACT OF 1985

SEC. 1110. (a) * * *

* * * * *

(e)(1) * * *

(2) Notwithstanding any other provision of law, the Commodity Credit Corporation may use funds appropriated to carry out title I of the Agricultural Trade Development and Assistance Act of 1954 in carrying out this section with respect to commodities made available under that Act, and subsection (g) does not apply to such commodities furnished on a grant basis or on credit terms under title I of the Agricultural Trade Development and Assistance Act of 1954.

(f)(1) * * *

* * * * *

(3) No funds of the Commodity Credit Corporation in excess of [\$30,000,000] \$40,000,000 (or, in the case of fiscal year 1999, \$35,000,000) (exclusive of the cost of commodities) may be used for each of fiscal years 1996 through [2002] 2007 to carry out this section with respect to commodities made available under section 416(b) of the Agricultural Act of 1949 unless authorized in advance in appropriation Acts.

* * * * *

(g) Not more than [500,000] 1,000,000 metric tons of commodities may be furnished under this section in each of the fiscal years 1986 through [2002] 2007.

* * * * *

(j) In carrying out this section, the President [may] is encouraged, on request and subject to the availability of commodities, to approve agreements that provide for commodities to be made available for distribution or sale by the recipient on a multiyear basis if the agreements otherwise meet the requirements of this section.

(k) This section shall be effective during the period beginning October 1, 1985, and ending December 31, [2002] 2007.

(l)(1) To enhance the development of private sector agriculture in countries receiving assistance under this section the President

may, in each of the fiscal years [1996 through 2002] 2002 through 2007, use in addition to any amounts or commodities otherwise made available under this section for such activities, not to exceed [\$10,000,000 (or, in the case of fiscal year 1999, \$12,000,000)] \$15,000,000 of Commodity Credit Corporation funds (or commodities of an equal value owned by the Corporation), to provide assistance in the administration, sale, and monitoring of food assistance programs, and to provide technical assistance for monetization programs, to strengthen private sector agriculture in recipient countries.

* * * * *

(3) The President may use the assistance provided under this subsection and [local currencies] proceeds derived from the sale of commodities under paragraph (2) to design, monitor, and administer activities undertaken with such assistance, for the purpose of strengthening or creating the capacity of recipient country private enterprises to undertake commercial transactions, with the overall goal of increasing potential markets for United States agricultural commodities.

* * * * *

(p) The Secretary is encouraged to finalize program agreements and resource requests for programs under this section before the beginning of the relevant fiscal year. By November 1 of the relevant fiscal year, the Secretary shall provide to the Committee on Agriculture and the Committee on International Relations of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a list of approved programs, countries, and commodities, and the total amounts of funds approved for transportation and administrative costs, under this section.

SECTION 416 OF THE AGRICULTURAL ACT OF 1949

SEC. 416. (a) * * *

(b)(1) * * *

* * * * *

(7) Eligible commodities furnished under this subsection may be sold or bartered only with the approval of the Secretary and solely as follows:

(A) * * *

* * * * *

(D)(i) Sales of commodities and products furnished to nonprofit and voluntary agencies, or cooperatives, for food assistance under agreements that provide for the use, by the agency or cooperative, of [foreign currency] proceeds generated from such sale of commodities or products for the purposes established in clause (ii) of this subparagraph.

(ii) [Foreign currencies] Proceeds generated from partial or full sales or barter of commodities by a nonprofit and voluntary agency or cooperative shall be used—

(I) * * *

* * * * *

In addition, [foreign currency] proceeds generated in Poland may also be used by governmental and nongovernmental agencies or cooperatives for eligible activities approved by the joint commission established pursuant to section 2226 of the American Aid to Poland Act of 1988 and by the United States chief of diplomatic mission in Poland that would improve the quality of life of the Polish people and would strengthen and support the activities of governmental or private, nongovernmental independent institutions in Poland. Activities eligible under the preceding sentence include—

(I) * * *

* * * * *

(iii) Except as otherwise provided in clause (v), such agreements, taken together for each fiscal year, shall provide for sales of commodities and products for [foreign currency] proceeds in amounts that are, in the aggregate, not less than 10 percent of the aggregate value of all commodities and products furnished, or the minimum tonnage required, whichever is greater, for carrying out programs of assistance under this subsection in such fiscal year. The minimum allocation requirements of this clause apply with respect to commodities and products made available under this subsection for carrying out programs of assistance under titles II and III of the Agricultural Trade Development and Assistance Act of 1954, and not with respect to commodities and products made available to carry out the Food for Progress Act of 1985.

(iv) [Foreign currency proceeds] *Proceeds* generated from the sale of commodities or products under this subparagraph shall be expended within the country of origin within a reasonable length of time, as determined by the Secretary, except that the Secretary may permit the use of proceeds in a country other than the [country of origin—

[I] as necessary to expedite] *country of origin as necessary to expedite* the transportation of commodities and products furnished under this subsection[; or].

[II] if the proceeds are generated in a currency generally accepted in the other country.]

* * * * *

(8)(A)(i) To the maximum extent practicable, expedited procedures shall be used in the implementation of this subsection.

(ii) *The Secretary shall publish in the Federal Register, not later than October 31 of each fiscal year, an estimate of the commodities that shall be available under this section for that fiscal year.*

(iii) *The Secretary is encouraged to finalize program agreements under this section not later than December 31 of each fiscal year.*

* * * * *

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

* * * * *

SEC. 2. UNITED STATES POLICY.

It is the policy of the United States to use its abundant agricultural productivity to promote the foreign policy of the United States by enhancing the food security of the developing world through the use of agricultural commodities and local currencies accruing under this Act to—

(1) combat world hunger and malnutrition and their causes;

[(2) promote broad-based, equitable, and sustainable development, including agricultural development;]

(2) promote broad-based, equitable, and sustainable development, including agricultural development as well as conflict prevention;

* * * * *

TITLE II—EMERGENCY AND PRIVATE ASSISTANCE PROGRAMS

* * * * *

SEC. 202. PROVISION OF AGRICULTURAL COMMODITIES.

(a) * * *

* * * * *

(e) SUPPORT FOR ELIGIBLE ORGANIZATIONS.—

(1) IN GENERAL.—Of the funds made available in each fiscal year under this title to the Administrator, [not less than \$10,000,000, and not more than \$28,000,000] *not less than 5 percent and not more than 10 percent of such funds*, shall be made available in each fiscal year to eligible organizations described in subsection (d), to assist the organizations in—

(A) * * *

* * * * *

SEC. 203. GENERATION AND USE OF FOREIGN CURRENCIES BY PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES.

(a) LOCAL SALE AND BARTER OF COMMODITIES.—An agreement entered into between the Administrator and a private voluntary organization or cooperative to provide food assistance through such organization or cooperative under this title may provide for the sale or barter in [the recipient country, or in a country] *one or more recipient countries, or one or more countries* in the same region, of the commodities to be provided under such agreement.

* * * * *

(c) DESCRIPTION OF INTENDED USES.—A private voluntary organization or cooperative submitting a proposal to enter into a non-emergency food assistance agreement under this title shall include in such proposal a description of the intended uses of any [foreign currency] proceeds that may be generated through the sale, in [the recipient country, or in a country] *one or more recipient countries, or one or more countries* in the same region, of any commodities provided under an agreement entered into between the Administrator and the organization or cooperative.

(d) USE.—**Foreign currencies** *Proceeds* generated from any partial or full sale or barter of commodities by a private voluntary organization or cooperative under a non-emergency food assistance agreement under this title may—

(1) * * *

(2) be used to implement **income generating** *income-generating*, community development, health, nutrition, cooperative development, agricultural, and other developmental activities within **the recipient country or within a country** *one or more recipient countries, or one or more countries* in the same region; or

(3) be invested, and any interest earned on such investment may be used, for the purposes for which the assistance was provided to that organization, without further appropriation by Congress.

SEC. 204. LEVELS OF ASSISTANCE.

(a) MINIMUM LEVELS.—

(1) MINIMUM ASSISTANCE.—Except as provided in paragraph (3), the Administrator shall make agricultural commodities available for food distribution under this title in an amount that for each of fiscal years **1996 through 2002** *2002 through 2007* is not less than **2,025,000** *2,250,000* metric tons.

* * * * *

SEC. 205. FOOD AID CONSULTATIVE GROUP.

(a) * * *

* * * * *

(f) TERMINATION.—The Group shall terminate on December 31, **2002** *2007*.

* * * * *

SEC. 207. ADMINISTRATION.

(a) PROPOSALS.—

(1) TIME FOR DECISION.—Not later than 45 days after the receipt by the Administrator of a proposal submitted—

(A) by an eligible organization, with the concurrence of the appropriate United States field mission, for commodities; or

(B) by a United States field mission to make commodities available to an eligible organization; under this title, the Administrator shall make a decision concerning such proposal.

(1) RECIPIENT COUNTRIES.—A proposal to enter into a non-emergency food assistance agreement under this title shall identify the recipient country or countries subject to the agreement.

(2) TIME FOR DECISION.—Not later than 120 days after receipt by the Administrator of a proposal submitted by an eligible organization under this title, the Administrator shall make a decision concerning such proposal.

(2) (3) DENIAL.—If a proposal under paragraph (1) is denied, the response shall specify the reasons for denial and the conditions that must be met for the approval of such proposal.

* * * * *

SEC. 208. ASSISTANCE FOR STOCKPILING AND RAPID TRANSPORTATION, DELIVERY, AND DISTRIBUTION OF SHELF-STABLE PREPACKAGED FOODS.

(a) * * *

* * * * *

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Administrator to carry out this section, in addition to amounts otherwise available to carry out this section, \$3,000,000 for each of fiscal years **[2001 and 2002]** *2001 through 2007*, to remain available until expended.

* * * * *

TITLE IV—GENERAL AUTHORITIES AND REQUIREMENTS

* * * * *

SEC. 403. GENERAL PROVISIONS.

(a) * * *

* * * * *

(l) *SALES PROCEDURES.*—Subsections (b) and (h) shall apply to sales of commodities to generate proceeds for titles II and III of this Act, section 416(b) of the Agricultural Act of 1949, and section 1110 of the Food and Security Act of 1985. Such sales transactions may be in United States dollars and other currencies.

* * * * *

SEC. 407. ADMINISTRATIVE PROVISIONS.

(a) * * *

* * * * *

(c) TITLE II AND III PROGRAM.—

(1) * * *

* * * * *

(4) PREPOSITIONING.—Funds made available for **[fiscal years 2001 and 2002]** *each of fiscal years 2001 through 2007* to carry out titles II and III may be used by the Administrator to procure, transport, and store agricultural commodities for prepositioning within the United States and in foreign countries, except that for each such fiscal year not more than \$2,000,000 of such funds may be used to store agricultural commodities for prepositioning in foreign countries.

* * * * *

SECTION 1542 OF THE FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990

SEC. 1542. PROMOTION OF AGRICULTURAL EXPORTS TO EMERGING MARKETS.

(a) FUNDING.—The Commodity Credit Corporation shall make available for fiscal years 1996 through **[2002]** *2007* not less than \$1,000,000,000 of direct credits or export credit guarantees for ex-

ports to emerging markets under section 201 or 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5621 and 5622), in addition to the amounts acquired or authorized under section 211 of the Act (7 U.S.C. 5641) for the program.

* * * * *

(d) E (KIKI) DE LA GARZA AGRICULTURAL FELLOWSHIP PROGRAM.—The Secretary of Agriculture (hereafter in this section referred to as the “Secretary”) shall establish a program, to be known as the “E (Kika) de la Garza Agricultural Fellowship Program”, to develop agricultural markets in emerging markets and to promote cooperation and exchange of information between agricultural institutions and agribusinesses in the United States and emerging markets, as follows:

(1) DEVELOPMENT OF AGRICULTURAL SYSTEMS.—

(A) IN GENERAL.—

(i) ESTABLISHMENT OF PROGRAM.—For each of the fiscal years 1991 through [2002] 2007, the Secretary of Agriculture (hereafter in this section referred to as the “Secretary”), in order to develop, maintain, or expand markets for United States agricultural exports, is directed to make available to emerging markets the expertise of the United States to make assessments of the food and rural business systems needs of such democracies, make recommendations on measures necessary to enhance the effectiveness of the systems, including potential reductions in trade barriers, and identify and carry out specific opportunities and projects to enhance the effectiveness of those systems.

* * * * *

(H) LEVEL OF ASSISTANCE.—The Secretary shall provide assistance under this paragraph of not more than [\$10,000,000 in any fiscal year] \$15,000,000 for each of fiscal years 2002 through 2007.

* * * * *

SECTION 302 OF THE BILL EMERSON HUMANITARIAN TRUST ACT

SEC. 302. ESTABLISHMENT OF COMMODITY TRUST.

(a) * * *

(b) COMMODITIES OR FUNDS IN TRUST.—

(1) * * *

(2) REPLENISHMENT OF TRUST.—

(A) * * *

(B) FUNDS.—Any funds used to acquire eligible commodities through purchases from producers or in the market to replenish the trust shall be derived—

(i) with respect to fiscal years 2000 through [2002] 2007 from funds made available to carry out the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) that are used to repay or reimburse the Commodity Credit Corporation

for the release of eligible commodities under subsections (c)(2) and (f)(2), except that, of such funds, not more than \$20,000,000 may be expended for this purpose in each of the fiscal years 2000 through **[2002]** 2007; and

* * * * *

(h) TERMINATION OF AUTHORITY.—

(1) IN GENERAL.—The authority to replenish stocks of eligible commodities to maintain the trust established under this section shall terminate on September 30, **[2002]** 2007.

(2) DISPOSAL OF ELIGIBLE COMMODITIES.—Eligible commodities remaining in the trust after September 30, **[2002]** 2007, shall be disposed of by release for use in providing for emergency humanitarian food needs in developing countries as provided in this section.

* * * * *

