# EXTENSION OF TOBACCO ALLOTMENT LEASING AUTHORITY

July 22, 1965.—Ordered to be printed

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

## REPORT

[To accompany S. 1271]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 1271) to amend the Agricultural Adjustment Act of 1938 to extend for 2 additional years the provisions permitting the lease of tobacco acreage allotments, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

### PURPOSE

The purpose of this bill is to authorize, for 2 additional years, the transfer, by lease, of tobacco acreage allotments from one farm to another within the same county. The law does not apply to burley tobacco or cigar filler and cigar binder, types 42, 43, 44, 53, 54, and 55. It is not applicable to Maryland (type 32) tobacco unless at least 75 percent of the allotment for the lessor farm has been planted on that farm during each of the preceding 2 years.

#### COMMITTEE AMENDMENT

The committee amendment is technical in that the U.S. Code citation in line 4 is corrected to "7 U.S.C. 1314b(a)".

### NEED FOR THE LEGISLATION

In many areas, tobacco acreage allotments have become so small that producers holding such allotments frequently, in any particular year, neglect to plant their allotment because it is an uneconomic operation, or for other reasons.

For the crop years 1966 and 1967 only, this bill would authorize the holders of such small allotments to transfer their allotments to another tobacco producer in the same county if they choose to do so.

## DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE, Washington, D.C., April 26, 1965.

Hon. ALLEN J. ELLENDER,

Chairman, Committee on Agriculture and Forestry.

DEAR MR. CHAIRMAN: This is in reply to your request of February 26, 1965, for a report on S. 1271, a bill to amend subsection 316(a) of the Agricultural Adjustment Act of 1938, as amended, to extend for 2 additional years the provisions permitting the lease and transfer of tobacco acreage allotments.

The President has recommended proposed legislation which would provide for the lease or sale of allotments applicable to all production adjustment programs beginning with the 1966 crop year. If the Congress acts favorably on the President's proposal, S. 1271 would

not be necessary.

The table below shows the years during which the lease and transfer provisions have been used for tobacco and the extent of such use.

Year	Number tobacco allotment farms	Total acreage allotted	Acreage leased out	Acreage leased adjusted for yields
1962	572, 462	1, 235, 510	28, 169	25, 573
1963	570, 156	1, 195, 707	37, 526	33, 961
1964	565, 692	1, 084, 489	47, 243	42, 898

S. 1271, if enacted, would extend the existing legislation for the lease and transfer of tobacco acreage allotments (other than a burley tobacco allotment or a cigar-filler and -binder (types 42, 43, 44, 53, 54, and 55) tobacco allotment) for 2 additional crop years (1966 and 1967). The exception contained in subsection 316(a) regarding Maryland tobacco would be perpetuated for 1966 and 1967.

It is not anticipated that the enactment of this proposed legislation would have any significant effect upon the expenditure of administrative funds or Commodity Credit Corporation capital funds.

Your attention is called to the fact that the reference in S. 1271 to 7 U.S.C. 1314(a) should be changed to a reference to 7 U.S.C. 1314b.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

ORVILLE L. FREEMAN.

### CHANGES IN EXISTING LAW

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

## AGRICULTURAL ADJUSTMENT ACT OF 1938

Sec. 316. (a) Notwithstanding any other provision of this Act for the crop years 1962, 1963, 1964, [and] 1965, 1966, and 1967, the owner and operator of any farm for which a tobacco acreage allotment (other than a Burley tobacco acreage allotment or a cigar-filler and cigarbinder (types 42, 43, 44, 53, 54, and 55) tobacco acreage allotment) is established may lease any part of such allotment to any other owner or operator of a farm in the same county for use in such county on a farm having a current tobacco allotment of the same kind. Such lease and transfer of allotment shall be recognized and considered valid by the county committee provided the conditions set forth in this section are met. In the case of Maryland (type 32) tobacco, no farm shall be eligible for lease of 1962 or 1963 allotment from the farm unless at least 75 per centum of the allotment for the farm was actually planted during each of the years 1960 and 1961, nor shall a farm be eligible for lease of 1964 for 1965, 1965, 1966, or 1967 Maryland tobacco allotment from the farm unless at least 75 per centum of the allotment for the farm was actually planted on such farm during each of the two immediately preceding years.