

Notices

Federal Register

Vol. 68, No. 34

Thursday, February 20, 2003

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF AGRICULTURE

Commission on the Application of Payment Limitations for Agriculture

Payment Limitations

AGENCY: Farm Service Agency and Commodity Credit Corporation, USDA.

ACTION: Notice and request for comments.

SUMMARY: The Commission on the Application of Payment Limitations for Agriculture (Commission) was mandated by section 1605 of the Farm Security and Rural Investment Act of 2002 (the 2002 Act), Public Law 107-171. The Farm Service Agency (FSA) provides administrative and financial support for the Commission, using Commodity Credit Corporation (CCC) funds. The Commission will study the effects of further limitations on the receipt of direct payments, counter-cyclical payments, loan deficiency payments and marketing loan gains by individuals and other entities. The study is to be transmitted to the President, the Committee on Agriculture, Nutrition and Forestry of the Senate, and the Committee on Agriculture of the House of Representatives. The Commission is also authorized to make recommendations it deems appropriate, which may include the feasibility of improving the application and effectiveness of payment limitations.

The Commission held its first meeting on January 23 and 24, 2003, in Washington, D.C. The Commission concluded that public input would be helpful in conducting its assessments of payment limitations. This notice provides the public the opportunity to comment on key issues that the Commission expects to address in its study.

DATES: Comments must be received in writing by March 24, 2003.

ADDRESSES: Send comments in writing, by mail, to Payment Limit Commission Comments, USDA/FSA/EPAS, Stop 0508, 1400 Independence Ave., SW, Washington, DC 20250-0508, or by email to

payment.limit.comm@wdc.usda.gov. This notice may also be accessed via the Internet through the FSA homepage, at <http://www.fsa.usda.gov>. All comments, including names and addresses when provided, are placed in the record and are available for public inspection.

FOR FURTHER INFORMATION CONTACT: John Jenkins, USDA/FSA/EPAS, Stop 0508, 1400 Independence Ave., SW., Washington, DC 20250-0508; telephone: (202) 720-2100; fax: (202) 690-2186; submit e-mail to: John.Jenkins@usda.gov. Subject: Payment Limits.

SUPPLEMENTARY INFORMATION:

General Information about the Commission

The 2002 Act directed that the Commission consist of three members appointed by the Secretary of Agriculture; three members appointed by the Committee on Agriculture, Nutrition, and Forestry of the Senate; three members appointed by the Committee on Agriculture of the House of Representatives; and the USDA Chief Economist. The Secretary of Agriculture designated the USDA Chief Economist to serve as Commission Chairperson. The 2002 Act directs the Commission to conduct a study on the effects of further payment limitations on the receipt of direct payments, counter-cyclical payments and marketing loan gains and loan deficiency payments. The study is to be transmitted to the President, the Committee on Agriculture, Nutrition and Forestry of the Senate, and the Committee on Agriculture of the House of Representatives. The Commission is also authorized to make recommendations it deems appropriate. The Commission is to report the results of its study by May 13, 2003.

The Joint Explanatory Statement of the Committee of Conference for the 2002 Act indicates that the Managers of the Conference intended for the Commission to examine the feasibility of improving the application and effectiveness of payment limitations, including the use of commodity certificates and the unlimited forfeiture of loan collateral. The 2002 Act also

provides the Commission the authority to hold hearings, take testimony and receive evidence it considers necessary to conduct the study.

At its initial meeting in January 2003, the Commission concluded that public hearings are not feasible given the time available to complete its study. However, the Commission concluded that public comments on the payment limitation issues to be addressed by the Commission would be helpful. Consequently, the Commission decided to seek written comments from the public.

Key Issues for Comment

The Commission is specifically interested in receiving public input on the following:

1. The impacts of further payment limitations on the receipt of direct payments, counter-cyclical payments, marketing loan gains and loan deficiency payments on:

- (a) Farm income;
- (b) Land values;
- (c) Rural communities;
- (d) Agribusiness infrastructure;
- (e) Planting decisions of producers affected; and

(f) Prices of all agricultural commodities, including fruits and vegetables and other specialty crops.

Comments are encouraged on the impact of farm program payments on the above and on the effects of further limitations on these issues. The range of effects is likely to depend on what further limitations are being evaluated. The phrase "further limitations" is not defined in the 2002 Act. The Commission believes that further limitations would be limitations that would result in total payments to producers being less than the level that would prevail under the payment limitations of the 2002 Act. Further limitations could be achieved a number of ways including: (1) Reducing the current dollar limitations imposed on specific types of payments, such as direct payments, that can be received by a producer, (2) restricting the number or types of entities eligible for payments, or (3) restricting or precluding payments based on a variety of other criteria, such as income. Each of these approaches may have different effects on producers and the agricultural economy, even if the total dollar reduction in payments is equal. The Commission welcomes comments on the effects of payments