

2. STATUTES RELATED TO PUBLIC LAW 480

[As Amended Through P.L. 108-323, October 6, 2004]

a. Food for Progress

FOOD SECURITY ACT OF 1985

SEC. 1110.¹¹¹⁰⁻¹ [7 U.S.C. 1736o] (a) This section may be cited as the “Food for Progress Act of 1985”.

(b)¹¹¹⁰⁻² DEFINITIONS.—In this section:

(1) COOPERATIVE.—The term “cooperative” has the meaning given the term in section 402 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1732).

(2) CORPORATION.—The term “Corporation” means the Commodity Credit Corporation.

(3) DEVELOPING COUNTRY.—The term “developing country” has the meaning given the term in section 402 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1732).

(4) ELIGIBLE COMMODITY.—The term “eligible commodity” means an agricultural commodity, or a product of an agricultural commodity, in inventories of the Corporation or acquired by the President¹¹¹⁰⁻³ or the Corporation for disposition through commercial purchases under a program authorized under this section.

(5) ELIGIBLE ENTITY.—The term “eligible entity” means—

(A) the government of an emerging agricultural country;

(B) an intergovernmental organization;

(C) a private voluntary organization;

(D) a nonprofit agricultural organization or cooperative;

(E) a nongovernmental organization; and

(F) any other private entity.

(6) FOOD SECURITY.—The term “food security” means access by all people at all times to sufficient food and nutrition for a healthy and productive life.

(7) NONGOVERNMENTAL ORGANIZATION.—The term “nongovernmental organization” has the meaning given the term in section 402 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1732).

(8) PRIVATE VOLUNTARY ORGANIZATION.—The term “private voluntary organization” has the meaning given the term in sec-

¹¹¹⁰⁻¹ P.L. 99-198, 99 Stat. 1472, Dec. 23, 1985.

¹¹¹⁰⁻² Sec. 3106(b)(1) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 291, May 13, 2002, amended subsecs. (b) and (c) in their entirety. For the previous version of subsecs. (b) and (c), see p. 2-1 of Agricultural Trade Laws (as of Dec. 27, 2001).

Sec. 3106(b)(2)(D) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 292, May 13, 2002, amended subsecs. (d), (e), (f), (h), (j), (l), and (m) by striking “commodities” each place it appears and inserting “eligible commodities”.

Sec. 3106(b)(2)(E) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 292, May 13, 2002, amended subsecs. (e), (f), and (l), by striking “Commodity Credit Corporation” each place it appears and inserting “Corporation”.

Sec. 3106(b)(2)(F) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 292, May 13, 2002, struck former subsec. (o).

¹¹¹⁰⁻³ So in original. Probably should be “Secretary of Agriculture”.

tion 402 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1732).

(9) PROGRAM.—The term “program” means a food assistance or development initiative proposed by an eligible entity and approved by the President under this section.

(c)¹¹¹⁰⁻² PROGRAM.—In order to use the food resources of the United States more effectively in support of developing countries, and countries that are emerging democracies that have made commitments to introduce or expand free enterprise elements in their agricultural economies through changes in commodity pricing, marketing, input availability, distribution, and private sector involvement, the President shall¹¹¹⁰⁻⁴ enter into agreements with eligible entities to furnish to the countries eligible commodities made available under subsections (e) and (f).

(d)¹¹¹⁰⁻⁵ CONSIDERATION FOR AGREEMENTS.—In determining whether to enter into an agreement under this section, the President shall consider whether a potential recipient country is committed to carry out, or is carrying out, policies that promote economic freedom, private, domestic production of¹¹¹⁰⁻⁶ eligible commodities for domestic consumption, and the creation and expansion of efficient domestic markets for the purchase and sale of such eligible commodities. Such policies may provide for, among other things—

(1) access, on the part of farmers in the country, to private, competitive markets for their products;

(2) market pricing of eligible commodities to foster adequate private sector incentives to individual farmers to produce food on a regular basis for the country’s domestic needs;

(3) establishment of market-determined foreign exchange rates;

(4) timely availability of production inputs (such as seed, fertilizer, or pesticides) to farmers;

(5) access to technologies appropriate to the level of agricultural development in the country; and

(6) construction of facilities and distribution systems necessary to handle perishable products.

(e)¹¹¹⁰⁻⁷ FUNDING OF ELIGIBLE COMMODITIES.—(1) The Corporation shall make available to the President such eligible commodities determined to be available under section 401 of the Agricultural Trade Development and Assistance Act of 1954 as the President may request for purposes of furnishing eligible commodities under this section.

(2) Notwithstanding any other provision of law, the 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 eligible commodities made available under

¹¹¹⁰⁻⁴ Sec. 745(1) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2003, P.L. 108-7, 117 Stat. 44, Feb. 20, 2003, amended subsec. (c) by striking “may” and inserting “shall”.

¹¹¹⁰⁻⁵ Sec. 3106(c) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 292, May 13, 2002, amended subsec. (d) by striking “(d) In determining” and inserting “(d) CONSIDERATION FOR AGREEMENTS.—In determining”.

¹¹¹⁰⁻⁶ Sec. 3106(b)(2)(A) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 292, May 13, 2002, amended the first sentence of subsec. (d) by striking “food”.

¹¹¹⁰⁻⁷ Sec. 3106(d)(1) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 292, May 13, 2002, amended subsec. (e) by striking “(e)” and inserting “(e) FUNDING OF ELIGIBLE COMMODITIES.—”.

that Act, and subsection (g) does not apply to eligible commodities furnished on a grant basis or on credit terms under that title.¹¹¹⁰⁻⁸

(3) The Corporation may finance the sale and exportation of eligible commodities, made available under the Agricultural Trade Development and Assistance Act of 1954, which are furnished under this section. Payment for eligible commodities made available under that Act which are purchased on credit terms under this section shall be on the same basis as the terms provided in section 106 of that Act.

(4) In the case of eligible commodities made available under the Agricultural Trade Development and Assistance Act of 1954 for purposes of this section, section 406¹¹¹⁰⁻⁹ of that Act shall apply to eligible commodities furnished on a grant basis under this section and sections 402, 403(a), 403(c), and 403(i) of that Act shall apply to all eligible commodities furnished under this section.

(5)¹¹¹⁰⁻¹⁰ NO EFFECT ON DOMESTIC PROGRAMS.—The President shall not make an eligible commodity available for disposition under this section in any amount that will reduce the amount of the eligible commodity that is traditionally made available through donations to domestic feeding programs or agencies, as determined by the President.

(f)¹¹¹⁰⁻¹¹ PROVISION OF ELIGIBLE COMMODITIES TO DEVELOPING COUNTRIES.—(1) The Corporation may provide for—

(A) grants, or

(B)¹¹¹⁰⁻¹² sales on credit terms,

of eligible commodities made available under section 416(b) of the Agricultural Act of 1949 for use in carrying out this section.

(2)¹¹¹⁰⁻¹³ In carrying out section 416(b) of the Agricultural Act of 1949, the Corporation may purchase eligible commodities for use under this section if—

(A) the Corporation does not hold stocks of such eligible commodities; or

(B) Corporation stocks are insufficient to satisfy commitments made in agreements entered into under this section and such eligible commodities are needed to fulfill such commitments.

¹¹¹⁰⁻⁸ Sec. 3106(d)(2) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 292, May 13, 2002, amended para. (2) by inserting “, and subsection (g) does not apply to eligible commodities furnished on a grant basis or on credit terms under that title” before the period at the end.

¹¹¹⁰⁻⁹ Sec. 227(2) of the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104-127, 110 Stat. 962, April 4, 1996, amended para. (4) by striking “203” and inserting “406”.

¹¹¹⁰⁻¹⁰ Para. (5) added by sec. 3106(d)(3) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 292, May 13, 2002.

¹¹¹⁰⁻¹¹ Sec. 3106(e)(1) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 293, May 13, 2002, amended subsec. (f) by striking “(f)” and inserting “(f) PROVISION OF ELIGIBLE COMMODITIES TO DEVELOPING COUNTRIES.—”.

Sec. 227(3) of the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104-127, 110 Stat. 962, April 4, 1996, amended subsec. (f) by striking former para. (2) and redesignating former paras. (3) through (5) as paras. (2) through (4), respectively. For the text of former para. (2), see p. 2-2 of Agricultural Trade Laws Vol. (as of Dec. 8, 1994).

Paragraph (1) was amended by P.L. 102-511 “The Freedom Support Act” to allow credit sales of commodities to the former Soviet Union.

¹¹¹⁰⁻¹² Sec. 227(3)(A) of the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104-127, 110 Stat. 962, April 4, 1996, amended subpara. (B) by striking “in the case of the independent states of the former Soviet Union.”.

¹¹¹⁰⁻¹³ See footnote 1110-11.

(3)¹¹¹⁰⁻¹³ No funds of the Corporation in excess of \$40,000,000¹¹¹⁰⁻¹⁴ (exclusive of the cost of eligible commodities) may be used for each of fiscal years 1996 through 2007¹¹¹⁰⁻¹⁵ to carry out this section with respect to eligible commodities made available under section 416(b) of the Agricultural Act of 1949 unless authorized in advance in appropriation Acts.

(4)¹¹¹⁰⁻¹⁶ The cost of eligible commodities made available under section 416(b) of the Agricultural Act of 1949 which are furnished under this section, and the expenses incurred in connection with furnishing such eligible commodities, shall be in addition to the level of assistance programmed under the Agricultural Trade Development and Assistance Act of 1954 and may not be considered expenditures for international affairs and finance.

(5)¹¹¹⁰⁻¹⁷ SALE PROCEDURE.—In making sales of eligible commodities under this section, the Secretary shall follow the sale procedure described in section 403(1) of the Agricultural Trade Development and Assistance Act of 1954.

(g)¹¹¹⁰⁻¹⁸ MINIMUM TONNAGE.—Subject to subsection (f)(3), not less than 400,000 metric tons of eligible commodities may¹¹¹⁰⁻¹⁹ be provided under this section for the program for each of fiscal years 2002 through 2007.

(h)¹¹¹⁰⁻²⁰ PROHIBITION ON RESALE OR TRANSSHIPMENT OF ELIGIBLE COMMODITIES.—An agreement entered into under this section shall prohibit the resale or transshipment of the eligible commodities provided under the agreement to other countries.

(i)¹¹¹⁰⁻²¹ DISPLACEMENT OF UNITED STATES COMMERCIAL SALES.—In entering into agreements under this section, the President shall take reasonable steps to avoid displacement of any sales of United States commodities that would otherwise be made to such countries.

(j) MULTICOUNTRY OR MULTIYEAR BASIS.—

(1) IN GENERAL.—In carrying out this section, the President,¹¹¹⁰⁻²² on request and subject to the availability of eligible

¹¹¹⁰⁻¹⁴ Sec. 1125(1) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999, P.L. 105-277, 112 Stat. 2681-45, Oct. 21, 1998, amended this para. by inserting after “\$30,000,000” the following: “(or, in the case of fiscal year 1999, \$35,000,000)”. Sec. 3106(e)(2) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 293, May 13, 2002, amended para. (3) by striking “\$30,000,000 (or in the case of fiscal year 1999, \$35,000,000)” and inserting “\$40,000,000”.

¹¹¹⁰⁻¹⁵ Sec. 227(3)(C) of the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104-127, 110 Stat. 962, April 4, 1996, amended this para. by inserting “for each of fiscal years 1996 through 2002” after “may be used”. Sec. 3106(a) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 291, May 13, 2002, amended para. (3) by striking “2002” and inserting “2007”.

¹¹¹⁰⁻¹⁶ See footnote 1110-11.

¹¹¹⁰⁻¹⁷ Para. (5) added by sec. 3009(b)(2) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 283, May 13, 2002.

¹¹¹⁰⁻¹⁸ Sec. 3106(f) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 293, May 13, 2002, amended subsec. (g) in its entirety. For the previous version of subsec. (g), see p. 2-3 of Agricultural Trade Laws (as of Dec. 27, 2001).

¹¹¹⁰⁻⁹ Sec. 745(1) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2003, P.L. 108-7, 117 Stat. 44, Feb. 20, 2003, amended subsec. (g) by striking “may” and inserting “shall”.

¹¹¹⁰⁻²⁰ Sec. 3106(g) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 293, May 13, 2002, amended subsec. (h) by striking “(h) An agreement” and inserting “(h) PROHIBITION ON RESALE OR TRANSSHIPMENT OF ELIGIBLE COMMODITIES.—An agreement”.

¹¹¹⁰⁻²¹ Sec. 3106(h) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 293, May 13, 2002, amended subsec. (i) by striking “(i) In entering” and inserting “(i) DISPLACEMENT OF UNITED STATES COMMERCIAL SALES.—In entering”.

¹¹¹⁰⁻²² Sec. 3106(i)(1) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 293, May 13, 2002, amended subsec. (j) by striking “(j) In carrying out this

commodities, is encouraged to approve¹¹¹⁰⁻²³ agreements that provide for eligible commodities to be made available for distribution or sale by the recipient on a multicountry or multiyear¹¹¹⁰⁻²⁴ basis if the agreements otherwise meet the requirements of this section.

(2)¹¹¹⁰⁻²⁵ DEADLINE FOR PROGRAM ANNOUNCEMENTS.—Before the beginning of any fiscal year, the President shall, to the maximum extent practicable—

(A) make all determinations concerning program agreements and resource requests for programs under this section; and

(B) announce those determinations.

(3)¹¹¹⁰⁻²⁵ REPORT.—Not later than December 1 of each fiscal year, the President shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a list of programs, countries, and eligible commodities, and the total amount of funds for transportation and administrative costs, approved to date for the fiscal year under this section.

(k) EFFECTIVE AND TERMINATION DATES.—This section¹¹¹⁰⁻²⁶ shall be effective during the period beginning October 1, 1985, and ending December 31, 2007.¹¹¹⁰⁻²⁷

(l)¹¹¹⁰⁻²⁸ ADMINISTRATIVE EXPENSES.—(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 2007,¹¹¹⁰⁻²⁹ use in addition to any amounts or eligible commodities otherwise made available under this section for such activities, not to exceed \$15,000,000¹¹¹⁰⁻³⁰ (or, in the case of fiscal year 1999, \$12,000,000)¹¹¹⁰⁻³¹ of Corporation funds (or eli-

section, the President may,” and inserting “(j)” and all that follows through “carrying out this section, the President.”. Previously, sec. 227(5) of the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104-127, 110 Stat. 962, April 4, 1996, amended subsec. (j) by striking “shall” and inserting “may”.

¹¹¹⁰⁻²³ Sec. 3106(i)(2) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 293, May 13, 2002, amended this subsec. by striking “approve” and inserting “is encouraged to approve”.

¹¹¹⁰⁻²⁴ Sec. 3106(i)(3) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 293, May 13, 2002, amended this subsec. by striking “multiyear” and inserting “multicountry or multiyear”.

¹¹¹⁰⁻²⁵ Paras. (2) and (3) added by sec. 3106(i)(4) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 293, May 13, 2002.

¹¹¹⁰⁻²⁶ Sec. 3106(j) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 294, May 13, 2002, amended subsec. (k) by striking “(k) This section” and inserting “(k) EFFECTIVE AND TERMINATION DATES.—This section”.

¹¹¹⁰⁻²⁷ Section 335 of Pub. L. 102-237, 105 Stat. 1859, struck “September 30” and inserted “December 31” and redesignated subsections (l) and (m) as (k) and (l). Sec. 227(6) of the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104-127, 110 Stat. 962, April 4, 1996, struck “1995” and inserted “2002”. Sec. 3106(a) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 291, May 13, 2002, struck “2002” and inserted “2007”.

¹¹¹⁰⁻²⁸ Sec. 3106(k)(1) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 294, May 13, 2002, amended subsec. (l) by striking “(l)” and inserting “(l) ADMINISTRATIVE EXPENSES.—”.

¹¹¹⁰⁻²⁹ Sec. 227(7)(A) of the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104-127, 110 Stat. 963, April 4, 1996, amended para. (1) by striking “1991 through 1995” and inserting “1996 through 2002”. Sec. 3106(a) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 291, May 13, 2002, struck “2002” and inserted “2007”.

¹¹¹⁰⁻³⁰ Sec. 3106(k)(2) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 291, May 13, 2002, amended para. (1) by striking “\$10,000,000” and inserting “\$15,000,000”.

¹¹¹⁰⁻³¹ Sec. 1125(2) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999, P.L. 105-277, 112 Stat. 2681-45,

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gible 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,¹¹¹⁰⁻³² to strengthen private sector agriculture in recipient countries.

(2) To carry out this subsection, the President may provide¹¹¹⁰⁻³³ eligible commodities under agreements entered into under this section in a manner that uses the commodity transaction as a means of developing in the recipient countries a competitive private sector that can provide for the importation, transportation, storage, marketing and distribution of such eligible commodities.

(3) The President may use the assistance provided under this subsection and proceeds¹¹¹⁰⁻³⁴ derived from the sale of eligible 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 eligible commodities.

(4)¹¹¹⁰⁻³⁵ HUMANITARIAN OR DEVELOPMENT PURPOSES.—The Secretary¹¹¹⁰⁻³⁶ may authorize the use of proceeds to pay the costs incurred by an eligible entity under this section for—

(A)(i) programs targeted at hunger and malnutrition;

or

(ii) development programs involving food security;

(B) transportation, storage, and distribution of eligible commodities provided under this section; and

(C) administration, sales, monitoring, and technical assistance.

(m)¹¹¹⁰⁻³⁷ PRESIDENTIAL APPROVAL.—In carrying out this section,¹¹¹⁰⁻³⁸ the President shall approve, as determined appropriate by the President, agreements with agricultural trade organizations, intergovernmental organizations, private voluntary organizations, and cooperatives¹¹¹⁰⁻³⁹ that provide for—

Oct. 21, 1998, amended this para. by inserting after “\$10,000,000” the following: “(or, in the case of fiscal year 1999, \$12,000,000)”.

¹¹¹⁰⁻³² Sec. 227(7)(B) of the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104-127, 110 Stat. 963, April 4, 1996, amended para. (1) by inserting “, and to provide technical assistance for monetization programs,” after “monitoring of food assistance programs”.

¹¹¹⁰⁻³³ Sec. 3106(b)(2)(B) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 293, May 13, 2002, amended para. (2) by striking “agricultural”.

¹¹¹⁰⁻³⁴ Sec. 3106(k)(3) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 294, May 13, 2002, amended para. (3) by striking “local currencies” and inserting “proceeds”.

¹¹¹⁰⁻³⁵ Para. (4) added by sec. 3106(k)(4) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 294, May 13, 2002.

¹¹¹⁰⁻³⁶ So in original. Probably should be “President”.

¹¹¹⁰⁻³⁷ Subsections (m) and (n) were added by section 701(3) of Pub. L. 102-511, Oct. 24, 1992, 106 Stat. 3348. Sec. 3106(l) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 294, May 13, 2002, amended subsec. (m) by striking “(m) In carrying” and inserting “(m) PRESIDENTIAL APPROVAL.—In carrying”.

¹¹¹⁰⁻³⁸ Sec. 227(8)(A) of the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104-127, 110 Stat. 963, April 4, 1996, amended subsec. (m) by striking “with respect to the independent states of the former Soviet Union”.

¹¹¹⁰⁻³⁹ Sec. 227(8)(B) of the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104-127, 110 Stat. 963, April 4, 1996, amended subsec. (m) by striking “private voluntary organizations and cooperatives” each place it appears and inserting “agricultural trade organizations, intergovernmental organizations, private voluntary organizations, and cooperatives”.

(1) the sale of eligible commodities, including the marketing of these eligible commodities through the private sector; and

(2) the use¹¹¹⁰⁻⁴⁰ of the proceeds generated in the humanitarian and development programs of such agricultural trade organizations, intergovernmental organizations, private voluntary organizations, and cooperatives.¹¹¹⁰⁻⁴¹

(n)¹¹¹⁰⁻⁴² PROGRAM MANAGEMENT.—

(1) IN GENERAL.—The President shall ensure, to the maximum extent practicable, that each eligible entity participating in 1 or more programs under this section—

(A) uses eligible commodities made available under this section—

(i) in an effective manner;

(ii) in the areas of greatest need; and

(iii) in a manner that promotes the purposes of this section;

(B) in using eligible commodities, assesses and takes into account the needs of recipient countries and the target populations of the recipient countries;

(C) works with recipient countries, and indigenous institutions or groups in recipient countries, to design and carry out mutually acceptable programs authorized under this section; and

(D) monitors and reports on the distribution or sale of eligible commodities provided under this section using methods that, as determined by the President, facilitate accurate and timely reporting.

(2) REQUIREMENTS.—

(A) IN GENERAL.—Not later than 270 days after the date of enactment of this paragraph, the President shall review and, as necessary, make changes in regulations and internal procedures designed to streamline, improve, and clarify the application, approval, and implementation processes pertaining to agreements under this section.

(B) CONSIDERATIONS.—In conducting the review, the President shall consider—

(i) revising procedures for submitting proposals;

(ii) developing criteria for program approval that separately address the objectives of the program;

(iii) pre-screening organizations and proposals to ensure that the minimum qualifications are met;

(iv) implementing e-government initiatives and otherwise improving the efficiency of the proposal submission and approval processes;

(v) upgrading information management systems;

(vi) improving commodity and transportation procurement processes; and

(vii) ensuring that evaluation and monitoring methods are sufficient.

¹¹¹⁰⁻⁴⁰ Sec. 227(7)(C) of the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104-127, 110 Stat. 963, April 4, 1996, amended para. (2) by striking “in the independent states”.

¹¹¹⁰⁻⁴¹ See footnote 1110-39.

¹¹¹⁰⁻⁴² Sec. 3106(m) of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 294, May 13, 2002, amended subsec. (n) in its entirety. For the previous version of subsec. (n), see p. 2-4 of Agricultural Trade Laws (as of Dec. 27, 2001).

(C) CONSULTATIONS.—Not later than 1 year after the date of enactment of this paragraph, the President shall consult with 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 on changes made in regulations and procedures.

(3) REPORTS.—Each eligible entity that enters into an agreement under this section shall submit to the President, at such time as the President may request, a report containing such information as the President may request relating to the use of eligible commodities and funds furnished to the eligible entity under this section.

(o)¹¹¹⁰⁻⁴³ PRIVATE VOLUNTARY ORGANIZATIONS AND OTHER PRIVATE ENTITIES.—In entering into agreements described in subsection (c), the President (acting through the Secretary)—

- (1) shall enter into agreements with eligible entities described in subparagraphs (C) and (F) of subsection (b)(5); and
- (2) shall not discriminate against such eligible entities.

b. Donations of Processed Grain Food Products

ACT OF AUGUST 19, 1958¹⁻¹

AN ACT Authorizing Commodity Credit Corporation to purchase flour and cornmeal and donating same for certain domestic and foreign purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [7 U.S.C. 1431 note] That at any time Commodity Credit Corporation has any grain available for donation pursuant to the Food for Progress Act of 1985,¹⁻² section 416 of the Agricultural Act of 1949, as amended, section 210 of the Agricultural Act of 1956, or title II of the Agricultural Trade Development and Assistance Act, as amended, the Corporation, in lieu of processing all or any part of such grain into human food products, may purchase such processed food products in quantities not to exceed the equivalent of the respective grain available for donation on the date of such purchase and donate such processed food products pursuant to the Food for Progress Act of 1985, such¹⁻³ section 416, and to such section 210, and make such processed food products available¹⁻⁴ pursuant to such title II, and may sell, without regard to the provisions of section 407 of the Agricultural Act of 1949, as amended, a quantity of the grain equivalent to the processed food products so purchased: *Provided*, That no food

¹¹¹⁰⁻⁴³ Subsec. (o) added by sec. 745(2) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2003, P.L. 108-7, 117 Stat. 44, Feb. 20, 2003.

¹⁻¹ P.L. 85-683, 72 Stat. 635. Amended by Act of August 31, 1964, Pub. L. 88-550, 78 Stat. 755.

¹⁻² Sec. 758(1) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (P.L. 106-387; 114 Stat. 1549, 1549A-43; Oct. 28, 2000) amended this section by striking “clause (3) or (4) of” the first place it appears and inserting “the Food for Progress Act of 1985.”

¹⁻³ Sec. 758(2) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (P.L. 106-387; 114 Stat. 1549, 1549A-43; Oct. 28, 2000) amended this section by striking “clause (3) or (4) of such” and inserting “the Food for Progress Act of 1985, such”.

¹⁻⁴ Sec. 758(3) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (P.L. 106-387; 114 Stat. 1549, 1549A-43; Oct. 28, 2000) amended this section by striking “to the President”.

product purchased pursuant to the authority contained herein shall constitute less than 50 per centum by weight of the grain from which processed (except that this limitation does not apply in the case of the protein byproduct resulting from the production of fuel alcohol from agricultural commodities),¹⁻⁵ or contain any additive other than for normal vitamin enrichment, preservative, and bleaching purposes.

c. Special Assistant for Agricultural Trade and Food Assistance¹¹¹³⁻¹

FOOD SECURITY ACT OF 1985

SEC. 1113.¹¹¹³⁻² [7 U.S.C. 1736-1] (a) The President shall appoint a Special Assistant to the President for Agricultural Trade and Food Assistance (hereinafter in this section referred to as the "Special Assistant"). The President shall appoint the initial Special Assistant not later than May 1, 1986.

(b) The Special Assistant shall serve in the Executive Office of the President.

(c) The Special Assistant shall—

(1) assist and advise the President in order to improve and enhance food assistance programs carried out in the United States and foreign countries;

(2) be available to receive suggestions and complaints concerning the implementation of United States food aid and agricultural export programs anywhere in the United States Government and provide prompt responses thereto, including expediting the program implementation in any instances in which there is unreasonable delay;

(3) make recommendations to the President on means to coordinate and streamline the manner in which food assistance programs are carried out by the Department of Agriculture and the Agency for International Development, in order to improve their overall effectiveness;

(4) make recommendations to the President on measures to be taken to increase use of United States agricultural commodities and the products thereof through food assistance programs;

(5) advise the President on agricultural trade;

(6) advise the President on the Food for Progress Program and expedite its implementation;

(7) serve as a member of the Development Coordination Committee and the Food Aid Subcommittee of such Committee;

(8) advise departments and agencies of the Federal Government on their policy guidelines on basic issues of food assistance policy to the extent necessary to assure the coordination of food assistance programs, consistent with law, and with the advice of such Subcommittee; and

(9) submit a report to the President and Congress each year through 1990 containing—

¹⁻⁵ This exception was added by Sec. 1209, of the Agriculture and Food Act of 1981, P.L. 97-98, 95 Stat. 1280, Dec. 22, 1981.

¹¹¹³⁻¹ Sec. 4 of P.L. 99-260, 100 Stat. 49, March 20, 1986, substituted "FOOD ASSISTANCE" for "FOOD AID" in the caption; substituted "Food Assistance" for "Food Aid" in subsec. (a); and added the last sentence in subsec. (a).

¹¹¹³⁻² P.L. 99-89, 99 Stat. 1479, Dec. 23, 1985.

(A) a global analysis of world food needs and production; and

(B) a detailed plan for using available export and food aid authorities to increase United States agricultural exports to those targeted countries.

(d)¹¹¹³⁻³ Compensation for the Special Assistant shall be fixed by the President at an annual rate of basic pay of not less than the rate applicable to positions in level III of the Executive Schedule.

d. Stimulation of Foreign Production

TAFT ANTI-INFLATION LAW

[SEC. 7.⁷⁻¹ [50 U.S.C. App. 1917]]

e. Use of Foreign Currency Proceeds From Export Sales Financing

MUTUAL SECURITY ACT OF 1954

[SEC. 402.⁴⁰²⁻¹ [22 U.S.C. 1922]]

f. Cooperator Market Development Program

FOOD SECURITY ACT OF 1985

SEC. 1126.¹¹²⁶⁻¹ [7 U.S.C. 1736u] (a) It is the sense of Congress that the cooperator market development program of the Foreign Agricultural Service should be continued to help develop new markets and expand and maintain existing markets for United States agricultural commodities, using nonprofit agricultural trade organizations to the maximum extent practicable.

(b) The cooperator market development program shall be exempt from the requirements of Circular A 110 issued by the Office of Management and Budget.

OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1988

PART 2—FOREIGN AGRICULTURAL SERVICE

* * * * *

SEC. 4214.⁴²¹⁴⁻¹ [7 U.S.C. 5234] COOPERATOR ORGANIZATIONS.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the foreign market development cooperator program of the Service, and the activities of individual foreign market cooperator organizations, have been among the most successful and cost-effective means to expand United States agricultural exports. Congress affirms its support for the program and the activities of the cooperator organizations. The Administrator and the private sector should work to-

¹¹¹³⁻³ Sec. 4(d) of P.L. 99-260, 100 Stat. 49, March 20, 1986, substituted a new subsec. (d).

⁷⁻¹ Sec. 7 was repealed by sec. 229 of the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104-127, 110 Stat. 963, April 4, 1996. For the text of sec. 7, see p. 2-5 and p. 2-6 of Agricultural Trade Laws Vol. (as of Dec. 8, 1994).

⁴⁰²⁻¹ Sec. 402 was repealed by sec. 228 of the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104-127, 110 Stat. 963, April 4, 1996. For the text of sec. 402, see p. 2-6 of Agricultural Trade Laws Vol. (as of Dec. 8, 1994).

¹¹²⁶⁻¹ P.L. 99-198, 99 Stat. 1482, Dec. 23, 1985.

⁴²¹⁴⁻¹ P.L. 100-418, 102 Stat. 1394, Aug. 23, 1988.

gether to ensure that the program, and the activities of cooperator organizations, are expanded in the future.

(b) **COMMODITIES FOR COOPERATOR ORGANIZATIONS.**—The Secretary of Agriculture may make available to cooperator organizations agricultural commodities owned by the Commodity Credit Corporation, for use by such cooperators in projects designed to expand markets for United States agricultural commodities and products.

(c) **RELATION TO FUNDS.**—Commodities made available to cooperator organizations under this section shall be in addition to, and not in lieu of, funds appropriated for market development activities of such cooperator organizations.

(d) **CONFLICTS OF INTEREST.**—The Secretary shall take appropriate action to prevent conflicts of interest among cooperator organizations participating in the cooperator program.

(e) **EVALUATION.**—It is the sense of Congress that the Secretary should establish a consistent, objective means for the evaluation of cooperator programs.

g. Minimum Level of Food Assistance

OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1988

SEC. 4310. ⁴³¹⁰⁻¹ [7 U.S.C. 1691 note] **MINIMUM LEVEL OF FOOD ASSISTANCE.**

(a) **ANNUAL MINIMUM.**—It is the sense of Congress that—

(1) the United States should maintain its historic proportion of food assistance constituting one-third of all United States foreign economic assistance; and

(2) accordingly, the total amount of food assistance made available to foreign countries under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) and section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)) should not be less than one-third of the total amount of foreign economic assistance provided for each fiscal year.

(b) **DEFINITION.**—For purposes of this section, the term “foreign economic assistance” includes—

(1) assistance under chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.), the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.), section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)), or any other law authorizing economic assistance for foreign countries; and

(2) United States contributions to the International Bank for Reconstruction and Development, the International Development Association, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, or any other multilateral development bank.

⁴³¹⁰⁻¹ P.L. 100-418, 102 Stat. 1399, Aug. 23, 1988.

h. Assistance to the Former Soviet Union

FREEDOM FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES AND OPEN MARKET SUPPORT ACT OF 1992

(Freedom Support Act)

SEC. 702.⁷⁰²⁻¹ DEFINITIONS FOR AGRICULTURAL TRADE ACT OF 1978.

(a) * * *

(b) INDEPENDENT STATES OF THE FORMER SOVIET UNION.—Section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602) is amended by adding at the end the following:

“(8) INDEPENDENT STATES OF THE FORMER SOVIET UNION.—The term ‘independent states of the former Soviet Union’ means the following: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.”

SEC. 703. ASSISTANCE FOR PRIVATE VOLUNTARY ORGANIZATIONS.

The President is encouraged to use funds made available under section 109 of Public Law 102-229 (105 Stat. 1708), and funds made available under chapter 11 of part I of the Foreign Assistance Act of 1961, to assist private voluntary organizations and cooperatives in carrying out food assistance programs for the independent states of the former Soviet Union under—

- (1) section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o);
- (2) section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431); or
- (3) title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.).

SEC. 704. DISTRIBUTION OF AID TO THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.

It is the sense of Congress that, in order to avoid waste and to ensure fair and equitable distribution of food and commodities provided to the independent states of the former Soviet Union, the President should, as appropriate, when discussing and planning the provision of such food aid, whether acting unilaterally or multilaterally with other donor countries, encourage the involvement of suitable multinational organizations to monitor the transport and distribution of such food aid within such entities.

⁷⁰²⁻¹ P.L. 102-511, 106 Stat. 3349, Oct. 24, 1992.

i. International Emergency Food Reserve

(1) *Bill Emerson Humanitarian Trust*

BILL EMERSON HUMANITARIAN TRUST ACT

**TITLE III—BILL EMERSON
HUMANITARIAN TRUST³⁰¹⁻¹**

SEC. 301.³⁰¹⁻² [7 U.S.C. 1736f-1 note] SHORT TITLE.

This title may be cited as the “Bill Emerson Humanitarian Trust Act”.

SEC. 302.³⁰²⁻¹ [7 U.S.C. 1736f-1] ESTABLISHMENT OF COMMODITY TRUST.

(a) **IN GENERAL.**—To provide for a trust solely to meet emergency humanitarian food needs in developing countries, the Secretary of Agriculture (referred to in this title as the “Secretary”) shall establish a trust stock of wheat, rice, corn, or sorghum, or any combination of the commodities, totaling not more than 4,000,000 metric tons for use as described in subsection (c).

(b) **COMMODITIES OR FUNDS IN TRUST.**—³⁰²⁻²

(1) **IN GENERAL.**—The trust established under this section shall consist of—

(A) wheat in the reserve established under the Food Security Wheat Reserve Act of 1980 as of the date of enactment of the Federal Agriculture Improvement and Reform Act of 1996;

(B) wheat, rice, corn, and sorghum (referred to in this section as “eligible commodities”) acquired in accordance with paragraph (2) to replenish eligible commodities released from the trust, including wheat to replenish wheat released from the reserve established under the Food Security Wheat Reserve Act of 1980 but not replenished as of the date of enactment of the Federal Agriculture Improvement and Reform Act of 1996;

(C) such rice, corn, and sorghum as the Secretary may, at such time and in such manner as the Secretary determines appropriate, acquire as a result of exchanging an equivalent value of wheat in the trust established under this section; and

³⁰¹⁻¹ Sec. 212(b)(1) of the Bill Emerson Humanitarian Trust Act of 1998, P.L. 105-385, 112 Stat. 3466, Nov. 13, 1998, amended the title heading in its entirety.

³⁰¹⁻² Sec. 212(b)(2) of the Bill Emerson Humanitarian Trust Act of 1998, P.L. 105-385, 112 Stat. 3466, Nov. 13, 1998, amended sec. 301 in its entirety. Previously, sec. 225(a) of the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104-127, 110 Stat. 959, April 4, 1996, amended title III of the Agricultural Act of 1980 in its entirety.

³⁰²⁻¹ Sec. 212(b)(3) of the Bill Emerson Humanitarian Trust Act of 1998, P.L. 105-385, 112 Stat. 3466, Nov. 13, 1998, made numerous amendments to sec. 302 that struck “reserve” and inserted “trust”. For previous history, see footnote 301-1.

³⁰²⁻² Sec. 212(a)(1)(A) of the Bill Emerson Humanitarian Trust Act of 1998, P.L. 105-385, 112 Stat. 3465, Nov. 13, 1998, amended the heading of subsec. (b) by inserting “OR FUNDS” after “COMMODITIES”.

(D)³⁰²⁻³ funds made available under paragraph (2)(B) which shall be used solely to replenish commodities in the trust.

(2) REPLENISHMENT OF TRUST.—

(A) IN GENERAL.—Subject to subsection (h), commodities of equivalent value to eligible commodities in the trust established under this section may be acquired—

(i) through purchases—

(I) from producers; or

(II) in the market, if the Secretary determines that the purchases will not unduly disrupt the market; or

(ii) by designation by the Secretary of stocks of eligible commodities of the Commodity Credit Corporation.

(B)³⁰²⁻⁴ 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 2007³⁰²⁻⁵ 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 2007;³⁰²⁻⁵ and

(ii) from funds authorized for that use by an appropriations Act.

(c) RELEASE OF ELIGIBLE COMMODITIES.—

(1) EMERGENCY ASSISTANCE.—

(A) IN GENERAL.—Notwithstanding paragraph (2), to meet unanticipated need, the Secretary may release eligible commodities in any fiscal year, without regard to the availability of domestic supply of the commodities, to provide emergency assistance to developing countries under title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.).

(B) RELEASE FOR EMERGENCY ASSISTANCE.—If the eligible commodities needed to meet unanticipated need cannot be made available in a timely manner under normal means for obtaining eligible commodities for food assistance because of unanticipated need for emergency assistance as provided under section 202(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1722(a)), the Secretary may in any fiscal year release from the trust—

(i) up to 500,000 metric tons of wheat or the equivalent value of eligible commodities other than wheat; and

³⁰²⁻³ Sec. 212(a)(1)(B) of the Bill Emerson Humanitarian Trust Act of 1998, P.L. 105-385, 112 Stat. 3465, Nov. 13, 1998, amended this para. by adding subpara. (D) and by making conforming amendments to subpara. (B) and (C).

³⁰²⁻⁴ Sec. 212(a)(1)(C) of the Bill Emerson Humanitarian Trust Act of 1998, P.L. 105-385, 112 Stat. 3466, Nov. 13, 1998, amended subpara. (B) in its entirety.

³⁰²⁻⁵ Sec. 3202 of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 300, May 13, 2002, amended subsec. (b)(2)(B)(i) by striking “2002” and inserting “2007”.

(ii) up to 500,000 metric tons of any eligible commodities under this paragraph that could have been released but were not released in prior fiscal years.

(C) WAIVER OF MINIMUM TONNAGE REQUIREMENTS.—Nothing in this paragraph shall require a waiver under section 204(a)(3) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1724(a)(3)) as a prerequisite for the release of eligible commodities under this paragraph.

(2) EMERGENCY FOOD ASSISTANCE.—

(A)³⁰²⁻⁵ IN GENERAL.—Notwithstanding any other provision of law, eligible commodities designated or acquired for the trust established under this section may be released by the Secretary to provide, on a donation or sale basis, emergency food assistance to developing countries at such time as the domestic supply of the eligible commodities is so limited that quantities of the eligible commodities cannot be made available for disposition under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) (other than disposition for urgent humanitarian purposes under section 401 of the Act (7 U.S.C. 1731)).

(B)³⁰²⁻⁶ LIMITATION.—The Secretary may release eligible commodities under subparagraph (A) only to the extent such release is consistent with maintaining the long-term value of the trust.

(3) PROCESSING OF ELIGIBLE COMMODITIES.—Eligible commodities that are released from the trust established under this section may be processed in the United States and shipped to a developing country when conditions in the recipient country require processing.

(4) EXCHANGE.—The Secretary may exchange an eligible commodity for another United States commodity of equal value, including powdered milk, pulses, and vegetable oil.

(5) USE OF NORMAL COMMERCIAL PRACTICES.—To the maximum extent practicable consistent with the fulfillment of the purposes of this section and the effective and efficient administration of this section, the Secretary shall use the usual and customary channels, facilities, arrangements, and practices of trade and commerce to carry out this subsection.

(d) MANAGEMENT OF ELIGIBLE COMMODITIES.—The Secretary shall provide—

(1) for the management of eligible commodities in the trust established under this section as to location and quality of eligible commodities needed to meet emergency situations;

(2) for the periodic rotation or replacement of stocks of eligible commodities in the trust to avoid spoilage and deterioration of the commodities; and

(3)³⁰²⁻⁷ subject to the need for release of commodities from the trust under subsection (c)(1), for the management of the

³⁰²⁻⁵ See note 302-6.

³⁰²⁻⁶ Sec. 212(a)(2) of the Bill Emerson Humanitarian Trust Act of 1998, P.L. 105-385, 112 Stat. 3466, Nov. 13, 1998, converted text into subpara. (A) and added subpara. (B).

³⁰²⁻⁷ Sec. 212(a)(3) of the Bill Emerson Humanitarian Trust Act of 1998, P.L. 105-385, 112 Stat. 3466, Nov. 13, 1998, amended this subsec. by adding para. (3) and by making conforming amendments to para. (1) and (2).

trust to preserve the value of the trust through acquisitions under subsection (b)(2).

(e) TREATMENT OF TRUST UNDER OTHER LAW.—Eligible commodities in the trust established under this section shall not be—

(1) considered a part of the total domestic supply (including carryover) for the purpose of subsection (c) or for the purpose of administering the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.); and

(2) subject to any quantitative limitation on exports that may be imposed under section 7 of the Export Administration Act of 1979 (50 U.S.C. App. 2406).

(f) USE OF COMMODITY CREDIT CORPORATION.—

(1) IN GENERAL.—Subject to the limitations provided in this section, the funds, facilities, and authorities of the Commodity Credit Corporation shall be used by the Secretary in carrying out this section, except that any restriction applicable to the acquisition, storage, or disposition of eligible commodities owned or controlled by the Commodity Credit Corporation shall not apply.

(2) REIMBURSEMENT OF THE TRUST.—³⁰²⁻⁸

(A) IN GENERAL.—The Commodity Credit Corporation shall be reimbursed for the release of eligible commodities from funds made available to carry out the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) and the funds shall be available to replenish the trust under subsection (b).³⁰²⁻⁹

(B) BASIS FOR REIMBURSEMENT.—The reimbursement shall be made on the basis of the lesser of—

(i) the actual costs incurred by the Commodity Credit Corporation with respect to the eligible commodity; or

(ii) the export market price of the eligible commodity (as determined by the Secretary) as of the time the eligible commodity is released from the trust.

(C) SOURCE OF FUNDS.—The reimbursement may be made from funds appropriated for subsequent fiscal years.

(g) FINALITY OF DETERMINATION.—Any determination by the Secretary under this section shall be final.

(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, 2007.³⁰²⁻¹⁰

(2) DISPOSAL OF ELIGIBLE COMMODITIES.—Eligible commodities remaining in the trust after September 30, 2007,³⁰²⁻¹⁰ shall be disposed of by release for use in providing for emergency humanitarian food needs in developing countries as provided in this section.

³⁰²⁻⁸ Sec. 212(a)(4)(A) of the Bill Emerson Humanitarian Trust Act of 1998, P.L. 105-385, 112 Stat. 3466, Nov. 13, 1998, amended the heading of para. (2) by inserting “OF THE TRUST” after “REIMBURSEMENT”.

³⁰²⁻⁹ Sec. 212(a)(4)(B) of the Bill Emerson Humanitarian Trust Act of 1998, P.L. 105-385, 112 Stat. 3466, Nov. 13, 1998, amended subpara. (A) by inserting “and the funds shall be available to replenish the trust under subsection (b)” before the last period.

³⁰²⁻¹⁰ Sec. 3202 of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, 116 Stat. 300, May 13, 2002, amended paras. (1) and (2) of subsec. (h) by striking “2002” each place it appears and inserting “2007”.

**(2) Protein Byproducts Derived From Alcohol Fuel
Production**

AGRICULTURE AND FOOD ACT OF 1981

[SEC. 1208. ¹²⁰⁸⁻¹ [7 U.S.C. 1736n]]

**j. Appropriations—Public Law 480 Program Account
(including transfers of funds)**

**AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINIS-
TRATION, AND RELATED AGENCIES APPROPRIATIONS ACT,
2003 ¹⁻¹**

PUBLIC LAW 480 TITLE I PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of agreements under the Agricultural Trade Development and Assistance Act of 1954, and the Food for Progress Act of 1985, including the cost of modifying credit arrangements under said Acts, \$116,171,000, to remain available until expended.

In addition, for administrative expenses to carry out the credit program of title I, Public Law 83-480, and the Food for Progress Act of 1985, to the extent funds appropriated for Public Law 83-480 are utilized, \$2,059,000, of which \$1,033,000 may be transferred to and merged with the appropriation for “Foreign Agricultural Service, Salaries and Expenses”, and of which \$1,026,000 may be transferred to and merged with the appropriation for “Farm Service Agency, Salaries and Expenses”.

PUBLIC LAW 480 TITLE I OCEAN FREIGHT DIFFERENTIAL GRANTS

(INCLUDING TRANSFER OF FUNDS)

For ocean freight differential costs for the shipment of agricultural commodities under title I of the Agricultural Trade Development and Assistance Act of 1954 and under the Food for Progress Act of 1985, \$25,159,000, to remain available until expended: *Provided*, That funds made available for the cost of agreements under title I of the Agricultural Trade Development and Assistance Act of 1954 and for title I ocean freight differential may be used interchangeably between the two accounts with prior notice to the Committees on Appropriations of both Houses of Congress.

PUBLIC LAW 480 TITLE II GRANTS

For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years’ costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, \$1,200,000,000, to remain available until expended, for commodities supplied in connection with dispositions abroad under title II of said Act.

¹²⁰⁸⁻¹ Sec. 1208 was repealed by sec. 226 of the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104-127, 110 Stat. 962, April 4, 1996. For the text of sec. 1208, see p. 2-11 and 2-12 of Agricultural Trade Laws Vol. (as of Dec. 8, 1994).

¹⁻¹ P.L. 108-7, 117 Stat. 35, Feb. 20, 2003.

k. Debt Reduction for Developing Countries with Tropical Forests

FOREIGN ASSISTANCE ACT OF 1961¹⁻¹

PART V—DEBT REDUCTION FOR DEVELOPING COUNTRIES WITH TROPICAL FORESTS

SEC. 801. [22 U.S.C. 2151 note] SHORT TITLE.

This part may be cited as the “Tropical Forest Conservation Act of 1998”.

SEC. 802. [22 U.S.C. 2431] FINDINGS AND PURPOSES.

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

(1) It is the established policy of the United States to support and seek protection of tropical forests around the world.

(2) Tropical forests provide a wide range of benefits to humankind by—

(A) harboring a major share of the Earth’s biological and terrestrial resources, which are the basis for developing pharmaceutical products and revitalizing agricultural crops;

(B) playing a critical role as carbon sinks in reducing greenhouse gases in the atmosphere, thus moderating potential global climate change; and

(C) regulating hydrological cycles on which far-flung agricultural and coastal resources depend.

(3) International negotiations and assistance programs to conserve forest resources have proliferated over the past decade, but the rapid rate of tropical deforestation continues unabated.

(4) Developing countries with urgent needs for investment and capital for development have allocated a significant amount of their forests to logging concessions.

(5) Poverty and economic pressures on the populations of developing countries have, over time, resulted in clearing of vast areas of forest for conversion to agriculture, which is often unsustainable in the poor soils underlying tropical forests.

(6) Debt reduction can reduce economic pressures on developing countries and result in increased protection for tropical forests.

(7) Finding economic benefits to local communities from sustainable uses of tropical forests is critical to the protection of tropical forests.

(b) **PURPOSES.**—The purposes of this part are—

(1) to recognize the values received by United States citizens from protection of tropical forests;

(2) to facilitate greater protection of tropical forests (and to give priority to protecting tropical forests with the highest levels of biodiversity and under the most severe threat) by providing for the alleviation of debt in countries where tropical forests are located, thus allowing the use of additional resources to protect these critical resources and reduce economic pressures that have led to deforestation;

¹⁻¹ Pub. L. 87-195, 75 Stat. 424, Sept. 4, 1961, as amended by Pub. L. 105-214, 112 Stat. 885, July 29, 1998.

(3) to ensure that resources freed from debt in such countries are targeted to protection of tropical forests and their associated values; and

(4) to rechannel existing resources to facilitate the protection of tropical forests.

SEC. 803. [22 U.S.C. 2431a] DEFINITIONS.

As used in this part:

(1) **ADMINISTERING BODY.**—The term “administering body” means the entity provided for in section 809(c).

(2) **APPROPRIATE CONGRESSIONAL COMMITTEES.**—The term “appropriate congressional committees” means—

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

(B) the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

(3) **BENEFICIARY COUNTRY.**—The term “beneficiary country” means an eligible country with respect to which the authority of section 806(a)(1), section 807(a)(1), or paragraph (1) or (2) of section 808(a) is exercised.

(4) **BOARD.**—The term “Board” means the board referred to in section 811.

(5) **DEVELOPING COUNTRY WITH A TROPICAL FOREST.**—The term “developing country with a tropical forest” means—

(A)(i) a country that has a per capita income of \$725 or less in 1994 United States dollars (commonly referred to as “low-income country”), as determined and adjusted on an annual basis by the International Bank for Reconstruction and Development in its World Development Report; or

(ii) a country that has a per capita income of more than \$725 but less than \$8,956 in 1994 United States dollars (commonly referred to as “middle-income country”), as determined and adjusted on an annual basis by the International Bank for Reconstruction and Development in its World Development Report; and

(B) a country that contains at least one tropical forest that is globally outstanding in terms of its biological diversity or represents one of the larger intact blocks of tropical forests left, on a regional, continental, or global scale.

(6) **ELIGIBLE COUNTRY.**—The term “eligible country” means a country designated by the President in accordance with section 805.

(7) **TROPICAL FOREST AGREEMENT.**—The term “Tropical Forest Agreement” or “Agreement” means a Tropical Forest Agreement provided for in section 809.

(8) **TROPICAL FOREST FACILITY.**—The term “Tropical Forest Facility” or “Facility” means the Tropical Forest Facility established in the Department of the Treasury by section 804.

(9) **TROPICAL FOREST FUND.**—The term “Tropical Forest Fund” or “Fund” means a Tropical Forest Fund provided for in section 810.

SEC. 804. [22 U.S.C. 2431b] ESTABLISHMENT OF THE FACILITY.

There is established in the Department of the Treasury an entity to be known as the “Tropical Forest Facility” for the purpose of providing for the administration of debt reduction in accordance with this part.

SEC. 805. [22 U.S.C. 2431c] ELIGIBILITY FOR BENEFITS.

(a) **IN GENERAL.**—To be eligible for benefits from the Facility under this part, a country shall be a developing country with a tropical forest—

(1) whose government meets the requirements applicable to Latin American or Caribbean countries under paragraphs (1) through (5) and (7) of section 703(a) of this Act; and

(2) that has put in place⁸⁰⁵⁻¹ investment reforms, as evidenced by the conclusion of a bilateral investment treaty with the United States, implementation of an investment sector loan with the Inter-American Development Bank, World Bank-supported investment reforms, or other measures, as appropriate.

(b) **ELIGIBILITY DETERMINATIONS.**—

(1) **IN GENERAL.**—Consistent with subsection (a), the President shall determine whether a country is eligible to receive benefits under this part.

(2) **CONGRESSIONAL NOTIFICATION.**—The President shall notify the appropriate congressional committees of his intention to designate a country as an eligible country at least 15 days in advance of any formal determination.

SEC. 806. [22 U.S.C. 2431d] REDUCTION OF DEBT OWED TO THE UNITED STATES AS A RESULT OF CONCESSIONAL LOANS UNDER THE FOREIGN ASSISTANCE ACT OF 1961.

(a) **AUTHORITY TO REDUCE DEBT.**—

(1) **AUTHORITY.**—The President may reduce the amount owed to the United States (or any agency of the United States) that is outstanding as of January 1, 1998, as a result of concessional loans made to an eligible country by the United States under part I of this Act, chapter 4 of part II of this Act, or predecessor foreign economic assistance legislation.

(2) **AUTHORIZATION OF APPROPRIATIONS.**—For the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) for the reduction of any debt pursuant to this section, there are authorized to be appropriated to the President—

(A) \$25,000,000 for fiscal year 1999;

(B) \$75,000,000 for fiscal year 2000; and

(C) \$100,000,000 for fiscal year 2001.

(3) **CERTAIN PROHIBITIONS INAPPLICABLE.**—

(A) **IN GENERAL.**—A reduction of debt pursuant to this section shall not be considered assistance for purposes of any provision of law limiting assistance to a country.

(B) **ADDITIONAL REQUIREMENT.**—The authority of this section may be exercised notwithstanding section 620(r) of this Act or section 321 of the International Development and Food Assistance Act of 1975.

(b) **IMPLEMENTATION OF DEBT REDUCTION.**—

(1) **IN GENERAL.**—Any debt reduction pursuant to subsection (a) shall be accomplished at the direction of the Facility by the exchange of a new obligation for obligations of the type referred to in subsection (a) outstanding as of the date specified in subsection (a)(1).

(2) **EXCHANGE OF OBLIGATIONS.**—

⁸⁰⁵⁻¹ Sec. 1 of P.L. 107-26, 115 Stat. 206, Aug. 17, 2001, amended para. (2) by striking “major”.

(A) IN GENERAL.—The Facility shall notify the agency primarily responsible for administering part I of this Act of an agreement entered into under paragraph (1) with an eligible country to exchange a new obligation for outstanding obligations.

(B) ADDITIONAL REQUIREMENT.—At the direction of the Facility, the old obligations that are the subject of the agreement shall be canceled and a new debt obligation for the country shall be established relating to the agreement, and the agency primarily responsible for administering part I of this Act shall make an adjustment in its accounts to reflect the debt reduction.

(c) ADDITIONAL TERMS AND CONDITIONS.—(1) The following additional terms and conditions shall apply to the reduction of debt under subsection (a)(1) in the same manner as such terms and conditions apply to the reduction of debt under section 704(a)(1) of this Act:

(A) The provisions relating to repayment of principal under section 705 of this Act.

(B) The provisions relating to interest on new obligations under section 706 of this Act.

(2)⁸⁰⁶⁻¹ In addition to the application of the provisions relating to repayment of principal under section 705 of this Act to the reduction of debt under subsection (a)(1) (in accordance with paragraph (1)(A) of this subsection), repayment of principal on a new obligation established under subsection (b) may be made in the local currency of the beneficiary country and deposited in the Tropical Forest Fund of the country in the same manner as the provisions relating to payment of interest on new obligations under section 706 of this Act.

(d)⁸⁰⁶⁻² AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEARS AFTER FISCAL YEAR 2001.—For the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) for the reduction of any debt pursuant to this section or section 807, there are authorized to be appropriated to the President the following:

- (1) \$50,000,000 for fiscal year 2002.
- (2) \$75,000,000 for fiscal year 2003.
- (3) \$100,000,000 for fiscal year 2004.
- (4)⁸⁰⁶⁻³ \$20,000,000 for fiscal year 2005.
- (5) \$25,000,000 for fiscal year 2006.
- (6) \$30,000,000 for fiscal year 2007.

(e)⁸⁰⁶⁻⁴ USE OF FUNDS TO CONDUCT PROGRAM AUDITS AND EVALUATIONS.—Of the amounts made available to carry out this part for a fiscal year, \$200,000 is authorized to be made available to carry out audits and evaluations of programs under this part, including personnel costs associated with such audits and evaluations.

SEC. 807. [22 U.S.C. 2431e] REDUCTION OF DEBT OWED TO THE UNITED STATES AS A RESULT OF CREDITS EXTENDED UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954.

(a) AUTHORITY TO REDUCE DEBT.—

⁸⁰⁶⁻¹ Paragraph (2) added by sec. 3(a) of P.L. 108-323, 118 Stat. 1218, October 6, 2004.

⁸⁰⁶⁻² Subsec. (d) added by sec. 2(a) of P.L. 107-26, 115 Stat. 206, Aug. 17, 2001.

⁸⁰⁶⁻³ Paragraphs (4) through (6) added by sec. 1 of P.L. 108-323, 118 Stat. 1218, October 6, 2004.

⁸⁰⁶⁻⁴ Subsec. (e) added by sec. 2 of P.L. 108-323, 118 Stat. 1218, October 6, 2004.

(1) **AUTHORITY.**—Notwithstanding any other provision of law, the President may reduce the amount owed to the United States (or any agency of the United States) that is outstanding as of January 1, 1998, as a result of any credits extended under title I of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701 et seq.) to a country eligible for benefits from the Facility.

(2) **AUTHORIZATION OF APPROPRIATIONS.**—

(A) **IN GENERAL.**—For the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) for the reduction of any debt pursuant to this section, there are authorized to be appropriated to the President—

- (i) \$25,000,000 for fiscal year 1999;
- (ii) \$50,000,000 for fiscal year 2000; and
- (iii) \$50,000,000 for fiscal year 2001.

(B) **LIMITATION.**—The authority provided by this section shall be available only to the extent that appropriations for the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) of the modification of any debt pursuant to this section are made in advance.

(b) **IMPLEMENTATION OF DEBT REDUCTION.**—

(1) **IN GENERAL.**—Any debt reduction pursuant to subsection (a) shall be accomplished at the direction of the Facility by the exchange of a new obligation for obligations of the type referred to in subsection (a) outstanding as of the date specified in subsection (a)(1).

(2) **EXCHANGE OF OBLIGATIONS.**—

(A) **IN GENERAL.**—The Facility shall notify the Commodity Credit Corporation of an agreement entered into under paragraph (1) with an eligible country to exchange a new obligation for outstanding obligations.

(B) **ADDITIONAL REQUIREMENT.**—At the direction of the Facility, the old obligations that are the subject of the agreement shall be canceled and a new debt obligation shall be established for the country relating to the agreement, and the Commodity Credit Corporation shall make an adjustment in its accounts to reflect the debt reduction.

(c) **ADDITIONAL TERMS AND CONDITIONS.**—(1) The following additional terms and conditions shall apply to the reduction of debt under subsection (a)(1) in the same manner as such terms and conditions apply to the reduction of debt under section 604(a)(1) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1738c):

(A) The provisions relating to repayment of principal under section 605 of such Act.

(B) The provisions relating to interest on new obligations under section 606 of such Act.

(2)⁸⁰⁷⁻¹ In addition to the application of the provisions relating to repayment of principal under section 605 of the Agricultural Trade Development and Assistance Act of 1954 to the reduction of debt under subsection (a)(1) (in accordance with paragraph (1)(A) of this subsection), repayment of principal on a new obligation established under subsection (b) may be made in the local currency of the beneficiary country and deposited in the Tropical Forest Fund of the country in the same manner as the provisions relating to

⁸⁰⁷⁻¹ Paragraph (2) added by sec. 3(b) of P.L. 108-323, 118 Stat. 1219, October 6, 2004.

payment of interest on new obligations under section 606 of such Act.

SEC. 808. [22 U.S.C. 2431f] AUTHORITY TO ENGAGE IN DEBT-FOR-NATURE SWAPS AND DEBT BUYBACKS.

(a) LOANS AND CREDITS ELIGIBLE FOR SALE, REDUCTION, OR CANCELLATION.—

(1) DEBT-FOR-NATURE SWAPS.—

(A) IN GENERAL.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible purchaser described in subparagraph (B) any concessional loans described in section 806(a)(1) or any credits described in section 807(a)(1), or on receipt of payment from an eligible purchaser described in subparagraph (B), reduce or cancel such loans (or credits) or portion thereof, only for the purpose of facilitating a debt-for-nature swap to support eligible activities described in section 809(d).

(B) ELIGIBLE PURCHASER DESCRIBED.—A loan or credit may be sold, reduced, or canceled under subparagraph (A) only to a purchaser who presents plans satisfactory to the President for using the loan or credit for the purpose of engaging in debt-for-nature swaps to support eligible activities described in section 809(d).

(C) CONSULTATION REQUIREMENT.—Before the sale under subparagraph (A) to any eligible purchaser described in subparagraph (B), or any reduction or cancellation under such subparagraph (A), of any loan or credit made to an eligible country, the President shall consult with the country concerning the amount of loans or credits to be sold, reduced, or canceled and their uses for debt-for-nature swaps to support eligible activities described in section 809(d).

(D) AUTHORIZATION OF APPROPRIATIONS.—For the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) for the reduction of any debt pursuant to subparagraph (A), amounts authorized to be appropriated under sections 806(a)(2), 807(a)(2), and 806(d)⁸⁰⁸⁻¹ shall be made available for such reduction of debt pursuant to subparagraph (A).

(2) DEBT BUYBACKS.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible country any concessional loans described in section 806(a)(1) or any credits described in section 807(a)(1), or on receipt of payment from an eligible country, reduce or cancel such loans (or credits) or portion thereof, only for the purpose of facilitating a debt buyback by an eligible country of its own qualified debt, only if the eligible country uses an additional amount of the local currency of the eligible country, equal to not less than the lesser of 40 percent of the price paid for such debt by such eligible country, or the difference between the price paid for such debt and the face value of such debt, to support eligible activities described in section 809(d).

(3) LIMITATION.—The authority provided by paragraphs (1) and (2) shall be available only to the extent that appropriations

⁸⁰⁸⁻¹ Sec. 2(b) of P.L. 107-26, 115 Stat. 206, Aug. 17, 2001, amended subpara. (D) by striking by striking “to appropriated under sections 806(a)(2) and 807(a)(2)” and inserting “to be appropriated under sections 806(a)(2), 807(a)(2), and 806(d)”.

for the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) of the modification of any debt pursuant to such paragraphs are made in advance.

(4) **TERMS AND CONDITIONS.**—Notwithstanding any other provision of law, the President shall, in accordance with this section, establish the terms and conditions under which loans and credits may be sold, reduced, or canceled pursuant to this section.

(5) **ADMINISTRATION.**—

(A) **IN GENERAL.**—The Facility shall notify the administrator of the agency primarily responsible for administering part I of this Act or the Commodity Credit Corporation, as the case may be, of eligible purchasers described in paragraph (1)(B) that the President has determined to be eligible under paragraph (1), and shall direct such agency or Corporation, as the case may be, to carry out the sale, reduction, or cancellation of a loan pursuant to such paragraph.

(B) **ADDITIONAL REQUIREMENT.**—Such agency or Corporation, as the case may be, shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

(b) **DEPOSIT OF PROCEEDS.**—The proceeds from the sale, reduction, or cancellation of any loan sold, reduced, or canceled pursuant to this section shall be deposited in the United States Government account or accounts established for the repayment of such loan.

SEC. 809. [22 U.S.C. 2431g] TROPICAL FOREST AGREEMENT.

(a) **AUTHORITY.**—

(1) **IN GENERAL.**—The Secretary of State is authorized, in consultation with other appropriate officials of the Federal Government, to enter into a Tropical Forest Agreement with any eligible country concerning the operation and use of the Fund for that country.

(2) **CONSULTATION.**—In the negotiation of such an Agreement, the Secretary shall consult with the Board in accordance with section 811.

(b) **CONTENTS OF AGREEMENT.**—The requirements contained in section 708(b) of this Act (relating to contents of an agreement) shall apply to an Agreement in the same manner as such requirements apply to an Americas Framework Agreement.

(c) **ADMINISTERING BODY.**—

(1) **IN GENERAL.**—Amounts disbursed from the Fund in each beneficiary country shall be administered by a body constituted under the laws of that country.

(2) **COMPOSITION.**—

(A) **IN GENERAL.**—The administering body shall consist of—

(i) one or more individuals appointed by the United States Government;

(ii) one or more individuals appointed by the government of the beneficiary country; and

(iii) individuals who represent a broad range of—
(I) environmental nongovernmental organizations of, or active in, the beneficiary country;

(II) local community development nongovernmental organizations of the beneficiary country; and

(III) scientific, academic, or forestry organizations of the beneficiary country.

(B) ADDITIONAL REQUIREMENT.—A majority of the members of the administering body shall be individuals described in subparagraph (A)(iii).

(3) RESPONSIBILITIES.—The requirements contained in section 708(c)(3) of this Act (relating to responsibilities of the administering body) shall apply to an administering body described in paragraph (1) in the same manner as such requirements apply to an administering body described in section 708(c)(1) of this Act.

(d) ELIGIBLE ACTIVITIES.—Amounts deposited in a Fund shall be used only to provide grants to conserve, maintain, and restore the tropical forests in the beneficiary country, through one or more of the following activities:

(1) Establishment, restoration, protection, and maintenance of parks, protected areas, and reserves.

(2) Development and implementation of scientifically sound systems of natural resource management, including land and ecosystem management practices.

(3) Training programs to increase the scientific, technical, and managerial capacities of individuals and organizations involved in conservation efforts.

(4) Restoration, protection, or sustainable use of diverse animal and plant species.

(5) Research and identification of medicinal uses of tropical forest plant life to treat human diseases, illnesses, and health related concerns.

(6) Development and support of the livelihoods of individuals living in or near a tropical forest in a manner consistent with protecting such tropical forest.

(e) GRANT RECIPIENTS.—

(1) IN GENERAL.—Grants made from a Fund shall be made to—

(A) nongovernmental environmental, forestry, conservation, and indigenous peoples organizations of, or active in, the beneficiary country;

(B) other appropriate local or regional entities of, or active in, the beneficiary country; or

(C) in exceptional circumstances, the government of the beneficiary country.

(2) PRIORITY.—In providing grants under paragraph (1), priority shall be given to projects that are run by nongovernmental organizations and other private entities and that involve local communities in their planning and execution.

(f) REVIEW OF LARGER GRANTS.—Any grant of more than \$100,000 from a Fund shall be subject to veto by the Government of the United States or the government of the beneficiary country.

(g) ELIGIBILITY CRITERIA.—In the event that a country ceases to meet the eligibility requirements set forth in section 805(a), as determined by the President pursuant to section 805(b), then grants from the Fund for that country may only be made to nongovernmental organizations until such time as the President determines that such country meets the eligibility requirements set forth in section 805(a).

SEC. 810. [22 U.S.C. 2431h] TROPICAL FOREST FUND.

(a) **ESTABLISHMENT.**—Each beneficiary country that enters into a Tropical Forest Agreement under section 809 shall be required to establish a Tropical Forest Fund to receive payments of interest and principal⁸¹⁰⁻¹ on new obligations undertaken by the beneficiary country under this part.

(b) **REQUIREMENTS RELATING TO OPERATION OF FUND.**—The following terms and conditions shall apply to the Fund in the same manner as such terms as conditions apply to an Enterprise for the Americas Fund under section 707 of this Act:

(1) The provision relating to deposits under subsection (b) of such section.

(2) The provision relating to investments under subsection (c) of such section.

(3) The provision relating to disbursements under subsection (d) of such section.

SEC. 811. [22 U.S.C. 2431i] BOARD.

(a) **ENTERPRISE FOR THE AMERICAS BOARD.**—The Enterprise for the Americas Board established under section 610(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1738i(a)) shall, in addition to carrying out the responsibilities of the Board under section 610(c) of such Act, carry out the duties described in subsection (c) of this section for the purposes of this part.

(b) **ADDITIONAL MEMBERSHIP.**—

(1) **IN GENERAL.**—The Enterprise for the Americas Board shall be composed of an additional four members appointed by the President as follows:

(A) Two representatives from the United States Government, including a representative of the International Forestry Division of the United States Forest Service.

(B) Two representatives from private nongovernmental environmental, scientific, forestry, or academic organizations with experience and expertise in preservation, maintenance, sustainable uses, and restoration of tropical forests.

(2) **CHAIRPERSON.**—Notwithstanding section 610(b)(2) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1738i(b)(2)), the Enterprise for the Americas Board shall be headed by a chairperson who shall be appointed by the President and shall be the representative from the Department of State appointed under section 610(b)(1)(A) of such Act.⁸¹¹⁻¹

(c) **DUTIES.**—The duties described in this subsection are as follows:

(1) Advise the Secretary of State on the negotiations of Tropical Forest Agreements.

(2) Ensure, in consultation with—

(A) the government of the beneficiary country;

(B) nongovernmental organizations of the beneficiary country;

⁸¹⁰⁻¹ Sec. 3(c) of P.L. 108-323, 118 Stat. 1219, October 6, 2004 added “and principal” after “interest”.

⁸¹¹⁻¹ Sec. 3 of P.L. 107-26, 115 Stat. 206, Aug. 17, 2001, amended para. (2) by striking “from among the representatives appointed under section 610(b)(1)(A) of such Act or paragraph (1)(A) of this subsection” and inserting “and shall be the representative from the Department of State appointed under section 610(b)(1)(A) of such Act”.

- (C) nongovernmental organizations of the region (if appropriate);
 - (D) environmental, scientific, forestry, and academic leaders of the beneficiary country; and
 - (E) environmental, scientific, forestry, and academic leaders of the region (as appropriate),
- that a suitable administering body is identified for each Fund.
- (3) Review the programs, operations, and fiscal audits of each administering body.

SEC. 812. [22 U.S.C. 2431j] CONSULTATIONS WITH THE CONGRESS.

The President shall consult with the appropriate congressional committees on a periodic basis to review the operation of the Facility under this part and the eligibility of countries for benefits from the Facility under this part.

SEC. 813. [22 U.S.C. 2431k] ANNUAL REPORTS TO THE CONGRESS.

(a) IN GENERAL.—Not later than December 31 of each year, the President shall prepare and transmit to the Congress an annual report concerning the operation of the Facility for the prior fiscal year. Such report shall include—

- (1) a description of the activities undertaken by the Facility during the previous fiscal year;
- (2) a description of any Agreement entered into under this part;
- (3) a report on any Funds that have been established under this part and on the operations of such Funds; and
- (4) a description of any grants that have been provided by administering bodies pursuant to Agreements under this part.

(b) SUPPLEMENTAL VIEWS IN ANNUAL REPORT.—Not later than December 15 of each year, each member of the Board shall be entitled to receive a copy of the report required under subsection (a). Each member of the Board may prepare and submit supplemental views to the President on the implementation of this part by December 31 for inclusion in the annual report when it is transmitted to Congress pursuant to this section.

1. McGovern-Dole International Food for Education and Child Nutrition Program

FARM SECURITY AND RURAL INVESTMENT ACT OF 2002³¹⁰⁷⁻¹

SEC. 3107. [7 U.S.C. 1736o-1] MCGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM.

(a) DEFINITION OF AGRICULTURAL COMMODITY.—In this section, the term “agricultural commodity” means an agricultural commodity, or a product of an agricultural commodity, that is produced in the United States.

(b) PROGRAM.—Subject to subsection (l), the President may establish a program, to be known as “McGovern-Dole International Food for Education and Child Nutrition Program”, requiring the procurement of agricultural commodities and the provision of financial and technical assistance to carry out—

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

³¹⁰⁷⁻¹ Pub. L. 107-171, 116 Stat. 295, May 13, 2002.

(2) maternal, infant, and child nutrition programs for pregnant women, nursing mothers, infants, and children who are 5 years of age or younger.

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

(1) any agricultural commodity is eligible to be provided under this section;

(2) as necessary to achieve the purposes of this section, funds appropriated under this section may be used to pay—

(A)(i) the cost of acquiring agricultural commodities;

(ii) the costs associated with packaging, enrichment, preservation, and fortification of agricultural commodities;

(iii) the processing, transportation, handling, and other incidental costs up to the time of the delivery of agricultural commodities free on board vessels in United States ports;

(iv) the vessel freight charges from United States ports or designated Canadian transshipment ports, as determined by the Secretary, to designated ports of entry abroad;

(v) the costs associated with transporting agricultural commodities from United States ports to designated points of entry abroad in the case—

(I) of landlocked countries;

(II) of ports that cannot be used effectively because of natural or other disturbances;

(III) of the unavailability of carriers to a specific country; or

(IV) of substantial savings in costs or time that may be effected by the utilization of points of entry other than ports; and

(vi) the charges for general average contributions arising out of the ocean transport of agricultural commodities transferred pursuant thereto;

(B) all or any part of the internal transportation, storage, and handling costs incurred in moving the eligible commodity, if the President determines that—

(i) payment of the costs is appropriate; and

(ii) the recipient country is a low income, net food-importing country that—

(I) meets the poverty criteria established by the International Bank for Reconstruction and Development for Civil Works Preference; and

(II) has a national government that is committed to or is working toward, through a national action plan, the goals of the World Declaration on Education for All convened in 1990 in Jomtien, Thailand, and the followup Dakar Framework for Action of the World Education Forum, convened in 2000;

(C) 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

(D) the costs of meeting the allowable administrative expenses of private voluntary organizations, cooperatives, or intergovernmental organizations that are implementing activities under this section.

(d) GENERAL AUTHORITIES.—The President shall designate 1 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 the country.

(e) ELIGIBLE ENTITIES.—Assistance may be provided under this section to private voluntary organizations, cooperatives, intergovernmental organizations, governments of developing countries and their agencies, and other organizations.

(f) PROCEDURES.—

(1) IN GENERAL.—In carrying out subsection (b), the President shall ensure that procedures are established that—

(A) provide for the submission of proposals by eligible entities, each of which may include 1 or more recipient countries, for commodities and other assistance under this section;

(B) provide for eligible commodities and assistance on a multiyear basis;

(C) ensure that eligible entities 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 entities on the use of commodities and other assistance provided under this section; and

(F) allow for the sale or barter of commodities by eligible entities 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 may consider the ability of eligible entities to—

(A) identify and assess the needs of beneficiaries, especially malnourished or undernourished mothers and their children who are 5 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 devel-

opmental 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 5 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, including maternal, prenatal, and postnatal and newborn care;

(C) involve indigenous institutions as well as local communities and governments in the development and implementation of the programs and activities to foster local capacity building and leadership; and

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

(g) **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 (b)(1) and on implementation of the programs in the field in recipient countries.

(h) **MULTILATERAL INVOLVEMENT.**—

(1) **IN GENERAL.**—The President is urged to engage existing international food aid coordinating mechanisms to ensure multilateral commitments to, and participation in, programs similar to programs supported under this section.

(2) **REPORTS.**—The President shall annually submit to the Committee on International Relations and the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the commitments and activities of governments, including the United States government, in the global effort to reduce child hunger and increase school attendance.

(i) **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.

(j) **GRADUATION.**—An agreement with an eligible organization under this section shall include provisions—

(1) to—

(A) sustain the benefits to the education, enrollment, and attendance of children in schools in the targeted communities when the provision of commodities and assistance to a recipient country under a program under this section terminates; and

(B) estimate the period of time required until the recipient country or eligible organization is able to provide sufficient assistance without additional assistance under this section; or

(2) to provide other long-term benefits to targeted populations of the recipient country.

(k) **REQUIREMENT TO SAFEGUARD LOCAL PRODUCTION AND USUAL MARKETING.**—The requirement of section 403(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733(a)) applies with respect to the availability of commodities under this section.

(l) **FUNDING.**—

(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the President shall use \$100,000,000 for fiscal year 2003 to carry out this section.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2004 through 2007.

(3) ADMINISTRATIVE EXPENSES.—Funds made available to carry out this section may be used to pay the administrative expenses of any Federal agency implementing or assisting in the implementation of this section.