

HOUSE BILL REPORT

SJM 8015

As Passed House:

April 14, 2003

Brief Description: Petitioning Congress to adopt procedures for selling wheat reserves that preserve the integrity of the market.

Sponsors: By Senators Sheahan, Hale and Rasmussen.

Brief History:

Committee Activity:

Agriculture & Natural Resources: 4/1/03, 4/2/03 [DP].

Floor Activity:

Passed House: 4/14/03, 93-0.

Brief Summary of Bill

- Requests new federal procedures for future sales of wheat stocks from federally held grain reserves.

HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: Do pass. Signed by 13 members: Representatives Linville, Chair; Rockefeller, Vice Chair; Schoesler, Ranking Minority Member; Holmquist, Assistant Ranking Minority Member; Kristiansen, Assistant Ranking Minority Member; Chandler, Eickmeyer, Grant, Hunt, McDermott, Orcutt, Quall and Sump.

Staff: Kenneth Hirst (786-7105).

Background:

The Bill Emerson Trust is a federal food reserve composed of up to four million metric tons of cereal grains that is administered by the U. S. Secretary of Agriculture. Under the terms of the Federal Farm Security and Rural Investment Act of 2002, the reserve was re-authorized through the year 2007.

The Secretary of Agriculture is authorized to release up to 500,000 metric tons of these grains in the case of unanticipated need for urgent humanitarian relief in disasters. An additional 500,000 metric tons may be released if no release was made from the trust the

previous year. Releases are also authorized from the trust if it is determined that purchases of food assistance under certain other federal programs would create undue price pressure because of limited supplies in the U. S. market.

Summary of Bill:

The President of the United States, the U. S. Congress, and the U. S. Secretary of Agriculture are requested to establish new federal procedures to assure that future sales of wheat stocks from federally held grain reserves will be conducted in a manner that such sales will not unduly disrupt the market while also fulfilling the original intent of providing for emergency humanitarian food needs in developing countries.

Appropriation: None.

Fiscal Note: Not Requested.

Testimony For: The Secretary of Agriculture released one billion bushels of soft white wheat from the Emerson Trust. The release depressed wheat prices for Washington growers and adversely affected the operations of rural warehouses in the state.

Testimony Against: None.

Testified: Heather Hansen, Washington Association of Wheat Growers and Washington Wheat Commission.